

# **KEMISTAR CORPORATION LIMITED**

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**CIN: L24233GJ1994PLC022845  
ANNUAL REPORT**

**2016-2017**

**ANNUAL REPORT 2016-17**

**BOARD OF DIRECTORS**

Mr. Ketankumar Patel	Managing director
Mr. Vasantbhai B Savalia	Non Executive Director
Mr. Maheshkumar Kanani	Independent Director
Mrs. Nayanaben Patel	Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Zehra Rajkotwala

**AUDITORS**

M/S Gaurav N. Zinzuwadiya  
Chartered Accountant  
G-301 , Shayona Tilak- III  
New S G Road, Gota  
Ahmedabad- 382481

**BANKERS**

Punjab National Bank  
Shastri Park Branch,  
Nehrunagar,  
Ahmedabad

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT-INDIA**

Purva Shareregistry (India) Pvt. Limited  
Unit no. 9  
Shiv Shakti Ind. Estate,  
J.R. Boricha marg  
Opp. Kasturba Hospital Lane  
Lower Parel (E)  
Mumbai-400011

**SECRETARIAL AUDITOR**

Nahidakhtar Vohra  
Company Secretaries, Ahmedabad

**NOTICE**

**NOTICE** is hereby given that the **Twenty Third Annual General Meeting** of the Members of Kemistar Corporation Limited (the "Company") will be held on Friday, September 1, 2017 at 11.00 A.M at 604 Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad- 380015 to transact the following business:

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and Profit and Loss Account of the Company for the year ended March 31, 2017, together with Cash Flow Statement for the year ended March 31, 2017, Notes to Financial Statements, Boards' Report and Auditors' Report thereon and if thought fit, to pass the following resolution with or without modification, as an **Ordinary Resolution**.  
"RESOLVED THAT the Company do hereby adopt the Audited Balance Sheet as at March 31, 2017, the Profit & Loss Account for the year ended on that date along with Cash Flow Statement, Notes to Financial Statements, Boards' Report and Auditors' Report thereon for the year ending on that date."
2. To appoint Auditors and fix their remuneration and in this regard, pass the following resolution with or without modification as an Ordinary Resolution.  
"RESOLVED THAT pursuant to provisions of section 139, 142 and other applicable provisions, if any, of the Companies act, 2013 read with Companies (Audit and Auditors) rules,2014 (including any statutory modification(s))M/s. **GAURAV N. ZINZUWADIYA**, (Membership No. 150295) Chartered Accountants, Statutory Auditor of the Company be and are here reappointed as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in calendar year 2018, at the remuneration to be fixed by the Board of Directors of the Company in consultation with the Auditors".

**SPECIAL BUSINESS:****ITEM NO.3: ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013, Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force),approval of the Members of the Company be and is hereby accorded to adopt, the new set of Articles of Association primarily based on the Form of Table F under Schedule I of the Act, as new set of Articles of Association in the place of existing Articles of Association of the Company. The Existing regulations 1 to 188 of the Articles of Association are replaced by the new set of regulations 1 to 86 and adopted as new set of Articles of Association

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. Ketankumar Patel, Managing Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

**ITEM NO. 4: TO AMEND THE TITLE OF INCIDENTAL OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to Sections 4, 13 and other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, Clause III (B) of the *objects that are incidental or ancillary to the attainment of the main objects of the Memorandum of Association* be and hereby replaced with the title **"MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III"**.

**"RESOLVED FURTHER THAT** One of the directors of Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution."

**ITEM NO.5. DELETION OF THE OTHER OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies(Incorporation) Rules, 2014, (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, as may be applicable, the consent of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by deleting Clause III [C]**Other Objects** the Memorandum of Association of the Company will no longer carry Other Objects

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Gujarat."

**ITEM NO.6. AMENDMENT OF THE LIABILITY CLAUSE OF THE MEMORANDUM OF ASSOCIATION:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), Clause IV of the Memorandum of Association be and is hereby altered by replacing the existing Clause IV with the following new Clause IV:

Clause IV. "The liability of members is limited and this liability is limited to the amount unpaid if any on shares held by them."

**"FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Gujarat".

**ITEM NO.7. ISSUE OF 11,95,000EQUITY SHARES ON A PREFERENTIAL BASIS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 42 and 62 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Rules there under and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended from time to time (“SEBI LODR Regulations”) and Listing Agreement entered into by the Company with the Stock Exchange where the Company’s shares are listed and in accordance with the provisions of the SEBI (Issue of Capital and Disclosures Requirements) Regulations 2009 as amended from time to time (“the ICDR Regulations), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time (the “SEBI (SAST) Regulations”), as may be applicable to the preferential issue of Equity Shares and other applicable regulations of SEBI, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 2000 and rules and regulations as may be prescribed by the RBI and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as the “ Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such consents and approvals of SEBI, RBI, Stock Exchanges, ROC, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 11,95,000 Equity Shares of Rs. 10/- each at a price of Rs. 16.50/- including premium of Rs. 6.50 /- (Rupees Six and Paise Fifty only) per Equity Share, aggregating to Rs.1,97,17,500( Rupees One Crore Ninety Seven Lakhs Seventeen Thousand Five Hundred only ) at such price not being lower than the price determined in accordance with Regulation 76 (1) of the SEBI (ICDR) Regulations to persons other than Promoters as mentioned herein below on preferential basis on such terms and conditions as the Board or Committee thereof may in its absolute discretion think fit, in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009,in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, thinks fit:

Sr. No.	Name of the Proposed Investor(s)	Category of Investor	No. of Shares
1	Chandrika Rameshbhai Harkhani	PUBLIC	40,000
2	Kirit Jivrajbhai Patel	PUBLIC	60,000
3	Navinbhai Gordhanbhai Patel	PUBLIC	60,000
4	Chandresh Gordhanbhai Patel	PUBLIC	60,000
5	Mitesh Champaklal Gandhi	PUBLIC	60,000
6	Ashish Champaklal Gandhi	PUBLIC	60,000
7	Pravin Babubhai Patel	PUBLIC	60,000
8	Sonali Ashokbhai Prajapati	PUBLIC	60,000
9	Chirag Shaileshbhai Shastri	PUBLIC	60,000
10	Nathuram Jivrambhai Patel	PUBLIC	60,000
11	Urmilaben Maheshbhai Patel	PUBLIC	60,000
12	Ramesh Motibhai Desai	PUBLIC	60,000
13	Shaileshkumar Kantibhai Patel	PUBLIC	60,000
14	Vijay Shankarlal Panchal	PUBLIC	60,000
15	Dharmendra Champaklal Vankani	PUBLIC	30,000
16	Dhiren Kanubhai Patel	PUBLIC	60,000
17	Deepti Dhiren Patel	PUBLIC	30,000
18	Jinal Yogeshbhai Shah	PUBLIC	60,000
19	Medha Chiragbhai Shastri	PUBLIC	60,000
20	Ramesh Jadavbhai Harkhani	PUBLIC	40,000
21	Abha Dharmendra Vankani	PUBLIC	30,000
22	Harsha Sushil Vegda	PUBLIC	30,000
23	Parashottambhai Jadavbhai Harkhani	PUBLIC	35,000

**RESOLVED FURTHER THAT** the issue and allotment of the Equity Shares to the Allottee shall be on the following terms and conditions:

# KEMISTAR CORPORATION LIMITED

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- i. The "relevant date" for the preferential issue, as per Regulation 71(a) of the SEBI (ICDR Regulations), as amended from time to time, for the determination of minimum price for the issue of the above mentioned Equity Shares is August 2, 2017, which is the date falling 30 (Thirty) days prior to September 1, 2017, i.e., the date of the Annual General Meeting of the shareholders or such other date as may be prescribed in accordance with the SEBI ICDR Regulations;
- ii. That the said Equity Shares shall be issued and allotted by the Company to the proposed Allottees within a period of 15 (Fifteen) days from the date of passing of this resolution provided that where the allotment of the said Equity Shares is pending on account of delay of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of such approval;
- iii. The entire consideration price for subscription to the Equity Shares shall be received from the Allottee's Bank account;
- iv. The Equity Shares to be so allotted shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company, and shall rank paripassu in all respects including dividend, with the existing Equity Shares of the Company;
- v. The Equity Shares to be issued and allotted shall be listed and traded on BSE Limited;

**RESOLVED FURTHER THAT** subject to SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects;

**"RESOLVED FURTHER THAT** the Company do apply for In-Principle Approval, Prior to Issue and Allotment of Equity Shares, and apply for listing of the new equity shares on the Stock Exchange and thereby comply with the applicable regulations;

**"RESOLVED FURTHER THAT** the Company does make an application to the Depositories for admission of the new equity shares;

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of equity shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Registered Office:  
604, Manas Complex  
Jodhpur Cross Road, Satellite  
Ahmedabad - 380 015.

Place: Ahmedabad  
Date: 02/08/2017

By and Order of the Board  
**KEMISTAR CORPORATION LIMITED**  
(CIN: L24233GJ1994PLC022845 )

Ketankumar Patel  
(DIN: 01157786)

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. A Proxy Form for the AGM is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send at the registered office of the Company a certified true copy of the relevant Board Resolution or upload it on the e-voting portal together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto
4. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice.
5. Pursuant to Clause 49 of the Listing Agreement with stock Exchanges, additional information related to Directors recommended for appointment/re-appointment at the Annual General Meeting appears in the Director's Report and Accounts.
6. The register of Members and the share Transfer Books of the Company will remain closed from August 29, 2017 to August 31, 2017 (both days inclusive) for the purpose of 23rd Annual General Meeting.
7. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company.
8. Members who have not registered / updated their e-mail addresses with Company/ Purva Shareregistry (I) Pvt. Ltd., if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.
9. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company / Purva Shareregistry (I) Pvt. Ltd as mandated by the Securities and Exchange Board of India (SEBI) for every participant in securities market.
10. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DP ID number, as the case may be.
11. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the Members after making requisite changes thereon.
12. Disclosure pursuant to Regulation 26(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is attached hereto.



13. 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 1, 2017 on all days (except Saturdays, Sundays and public holidays).
14. Members holding shares in electronic mode:
  - a. are requested to submit their PAN to their respective DPs with whom they are maintaining their demat accounts, as mandated by SEBI for every participant in securities market.
  - b. are advised to contact their respective DPs for availing the nomination facility.

**15. Information and instructions relating to Remote e-voting are as under:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services arranged by NSDL. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on August 29, 2017 (9:00 am) and ends on August 31, 2017 (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 26<sup>th</sup> August, 2017, 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.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "KEMISTAR CORPORATION LIMITED".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.



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- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@gmail.com](mailto:scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

User ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date of 26<sup>th</sup> August, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 26<sup>th</sup> August , 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. GAURAV ZINZUWADIYA, Practicing Chartered Accountant (Membership No.150295) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

**Company's Details:** KEMISTAR CORPORATION LIMITED  
604, Manas Complex,  
Jodhpur Cross Road,  
Satellite  
Ahmedabad - 380 015  
CIN: L24233GJ1994PLC022845  
E-mail ID: [Kemistarbse@gmail.com](mailto:Kemistarbse@gmail.com)

**Registrar and Transfer Agent :** PurvaSharegistry (India) Pvt. Ltd.  
Unit no. 9  
Shiv Shakti Ind. Estt.  
J .R. Borichamarg  
Opp. Kasturba Hospital Lane  
Lower Parel (E)  
Mumbai 400 011

**E-Voting Agency :** National Securities Depository Limited (NSDL)

**Scrutinizer :** GAURAV N. ZINZUWADIYA  
G-301, ShayonaTilak-III,  
New S.G Road, Gota,  
Ahmedabad-382481

**Annexure to the Notice****Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:****ITEM NO.3:**

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on August 2, 2017 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

The Existing regulations 1 to 188 of the Articles of Association are replaced by the new set of regulations 1 to 86 and adopted as new set of Articles of Association.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

The entire set of proposed Articles of Association is available on the website of the company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

**ITEM NO.4:**

In order to comply with the provisions of the Companies Act, 2013, the Company needs to amend the title of clause III (B) Objects Clause of the Memorandum of Association. Consent of the shareholders by passing a Special Resolution is required in this regard.

The entire set of proposed Memorandum of Association is available in the website of the Company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the Registered Office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

**ITEM NO.5**

In order to comply with the provisions of Section 4(1)(c), 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to delete the Other Objects Clause from the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the Shareholders by passing a Special Resolution is required in this regard.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

**ITEM NO.6**

In order to comply with the provisions of Section 4(1)(d)(i), 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to alter the Liability Clause of the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by passing a Special Resolution is required in this regard.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution. The relevant documents are available for inspection by the members during working hours in registered office of the company.

The Directors recommend the aforesaid resolutions for the approval by the members as Special Resolution.

**ITEM NO.7**

Members are requested to note that in order to carry out the business activities of the Company from time to time, it will be appropriate to infuse further funds in the Company from such prospective investors.

Members are further requested to note that for achieving the abovementioned objective of undertaking capital infusion, the Board of Directors of the Company at their meeting held on Tuesday, August 2, 2017, accorded their approval for the issue of up to 11,95,000 fully paid-up Equity Share of Rs. 10/- each at a price of Rs. 16.50 per Equity Share at a premium of Rs.6.50 per Equity Share aggregating up to Rs. 1,97,17,500 by way of preferential offer, subject to the approval of the Members of the Company.

Members are requested to note that In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 ("the Act") and Rules made thereunder, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"), as amended, a company can undertake preferential allotment only after obtaining prior approval of the Shareholders by way of Special resolution on the terms and conditions and formalities as stipulated in the Act and the SEBI (ICDR) Regulations.

Further, in terms of Regulation 73 of the SEBI ICDR Regulations, certain disclosures are required to be made to the Members of the Company which forms part of this Explanatory Statement to the Notice. The relevant disclosures as required under Chapter VII of the SEBI ICDR Regulations are set out below:

**a) The Object(s) of the issue**

The company proposes to expand its business and therefore proposes to mobilize funds for funding current and future activities and / or growth plans of the Company or general corporate purposes including any capital expenditure required if any. In order to achieve the same the company needs to raise funds by issuing 11,95,000 fully paid Equity Shares of Rs.10/- each at a price of Rs. 16.50 each to individuals / entities other than the Promoters/ Promoters Group on preferential basis.

**b) The proposal of the Promoters / Directors / Key Management Persons of the Issuer to subscribe to the offer:**

None of the Promoter / Director / Persons in Promoter/ Promoter Group / Key Management Persons are subscribing to the offer.

**c) Pricing of the Preferential Issue**

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76(1) of the SEBI ICDR Regulations. The Equity Shares shall be allotted at a price not less than higher of the following:

- (a) The average of the weekly high and low of the volume weighted average price of the related Equity Shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or
- (b) The average of the weekly high and low of the volume weighted average prices of the related Equity Shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

As per the calculations, 26 weeks and 2 weeks of the High and low of the Volume Weighted Average Price of the Equity Shares of the Company quoted on Stock Exchanges preceding the Relevant Date stands at Rs. 16.41 and Rs. NIL - respectively. However, the issue price has been fixed at Rs.16.50 (including premium of Rs. 6.50) per Equity Share which is higher than the price i.e.Rs. 16.41 calculated as per Regulation 76(1) of the SEBI ICDR Regulations.

**d) Basis on which price has been arrived at along with report of the registered valuer:**

As such this is not applicable in the present case since the Company is a listed company and the pricing is in terms of the SEBI (ICDR) Regulation.

**e) Relevant Date:**

The "Relevant Date" in terms of Regulation 71 of the SEBI (ICDR) Regulations for determination of minimum price is August 2, 2017, being the date 30 days prior to the date of the Annual General Meeting being September 1, 2017.

# KEMISTAR CORPORATION LIMITED

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

- f) **Shareholding Pattern of the Company before and after the proposed Issue:**  
The shareholding pattern before and after the offer would be as under:

	Category	Pre Issue*		Preferential Allotment of Equity Shares	Post Issue#	
		No. of Equity Shares held	% of Equity Share holding		No. of Equity Shares held	% of Equity Share holding
<b>A</b>	<b>Promoters' holding :</b>					
	1. Indian :					
	Individual	2,11,392	31.49	0	2,11,392	11.33
	Bodies Corporate	-	-	0	-	-
	Sub Total	2,11,392	31.49	0	-	-
	Foreign Promoters	-	-	0	-	-
	Sub Total (A)	2,11,392	31.49	0	2,11,392	11.33
<b>B</b>	<b>Non-Promoters' holding :</b>					
	2. Mutual funds /UTI	-	-	0	-	-
	Financial Institutions/ Banks	-	-	0	-	-
	Insurance Companies / Govt. Institutions	-	-	0	-	-
	Foreign Institutional Investors	-	-	0	-	-
	<b>Sub Total</b>	-	-	0	-	-
	3. Bodies Corporate	29,004	4.32	0	29,004	1.55
	Individual holding	4,30,572	64.13	11,95,000	16,25,572	87.10
	Foreign Companies	-	-	0	-	-
	Non-Resident Individuals	-	-	0	-	-
	Clearing Member	400	0.06	0	400	0.02
	HUF	24	0	0	24	0
	<b>Sub Total (B)</b>	4,60,000	68.51	11,95,000	<b>16,55,000</b>	88.67
	<b>Grand Total</b>	<b>6,71,392</b>	<b>100.00</b>	<b>11,95,000</b>	<b>18,66,392</b>	<b>100.00</b>

\*Above shareholding pattern is prepared based on Shareholding of the Company as on June 30, 2017.

# On assumption that entire 11, 95,000 Equity Shares may be allotted pursuant to the shareholders resolution. However, if any Equity Shares are not issued / allotted, the figures will change accordingly.

- g) **Proposed time frame within which allotment in the preferential issue shall be completed:**  
The allotment of Equity Shares shall be completed within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the allotment is pending on account of any approval from any Regulatory Authority / Body, the allotment shall be completed by the Company within a period of 15 days from the date of such approval.
- h) **Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital (expanded capital) that may be held by them:**

Sr. No.	Name of proposed allottee	Category	Pre-issue shareholding		Maximum No. of Equity shares proposed to be Allotted	Post issue shareholding	
			No. of shares	%		No. of shares	%
1.	Chandrika Rameshbhai Harkhani	PUBLIC	0	-	40,000	40,000	2.14
2.	Kirit Jivrajbhai Patel	PUBLIC	0	-	60,000	60,000	3.21
3.	Navinbhai Gordhanbhai Patel	PUBLIC	0	-	60,000	60,000	3.21
4.	Chandresh Gordhanbhai Patel	PUBLIC	0	-	60,000	60,000	3.21
5.	Mitesh Champaklal Gandhi	PUBLIC	0	-	60,000	60,000	3.21
6.	Ashish Champaklal Gandhi	PUBLIC	0	-	60,000	60,000	3.21
7.	Pravin Babubhai Patel	PUBLIC	0	-	60,000	60,000	3.21
8.	Sonali Ashokbhai Prajapati	PUBLIC	0	-	60,000	60,000	3.21
9.	Chirag Shaileshbhai Shastri	PUBLIC	0	-	60,000	60,000	3.21
10.	Nathuram Jivrambhai Patel	PUBLIC	0	-	60,000	60,000	3.21
11.	Urmilaben Maheshbhai Patel	PUBLIC	0	-	60,000	60,000	3.21

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12.	Ramesh Motibhai Desai	PUBLIC	0	-	60,000	60,000	3.21
13.	Shaileshkumar Kantibhai Patel	PUBLIC	0	-	60,000	60,000	3.21
14.	Vijay Shankarlal Panchal	PUBLIC	0	-	60,000	60,000	3.21
15.	Dharmendra Champaklal Vankani	PUBLIC	0	-	30,000	30,000	1.60
16.	Dhiren Kanubhai Patel	PUBLIC	0	-	60,000	60,000	3.21
17.	Deepti Dhiren Patel	PUBLIC	0	-	30,000	30,000	1.60
18.	Jinal Yogeshbhai Shah	PUBLIC	0	-	60,000	60,000	3.21
19.	Medha Chiragbhai Shastri	PUBLIC	0	-	60,000	60,000	3.21
20.	Ramesh Jadavbhai Harkhani	PUBLIC	0	-	40,000	40,000	2.14
21.	Abha Dharmendra Vankani	PUBLIC	0	-	30,000	30,000	1.60
22.	Harsha Sushil Vegda	PUBLIC	0	-	30,000	30,000	1.60
23.	Parashottambhai Jadavbhai Harkhani	PUBLIC	0	-	35,000	35,000	1.88

Section 62 of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares etc., such shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders in the general meeting decide otherwise by passing a Special Resolution.

Hence, consent of the shareholders by way of a Special Resolution is being sought pursuant to Section 62(1)(c) and all other applicable provisions of Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations and the SEBI (LODR) Regulations executed by the Company with BSE Limited where the Company's shares are listed.

i) **Auditors' Certificate:**

A copy of the certificate from Statutory Auditors certifying that the issue of Equity Shares is being made in accordance with the requirements of SEBI (ICDR) Regulations, and will be made available for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

A copy of the Memorandum and Articles of Association of the Company will also be available for inspection at the registered office of the Company on any working day between 11:00 a.m. and 1:00 p.m., and the same will also be available for inspection at the Annual General Meeting.

j) **Lock in Period:**

The Equity Shares allotted on preferential basis shall be subject to lock-in for such periods as prescribed in Regulation 78 of SEBI (ICDR) Regulations.

k) **Sale / Transfer of Equity Shares:**

The proposed allottees have confirmed to the Company that they have not sold / transferred any Equity Shares of the Company during the period of six months prior to the Relevant Date.

l) **Change in control consequent to the preferential issue:**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

m) **Undertakings**

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that:

a) It shall re-compute the price of the specified securities in terms of the provision of SEBI (ICDR) Regulations, where it is so required.

b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the Allottees.

n) **Others:**

Save and except the Preferential Issue as proposed in the resolution set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

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- o) The Issuer its Promoters and Directors have not been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

As it is proposed to issue and allot the aforesaid Equity Shares on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and in terms of the provisions of the SEBI ICDR Regulations and the listing agreement entered into by the Company with the BSE Limited, where the Company's equity shares are listed.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its members. The Board recommends the resolutions as set out in the accompanying notice for the approval of members as a Special Resolutions.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors/Key Managerial Personnel of the Company is, in anyway, concerned or interested in the above resolution.

**Place:** Ahmedabad  
**Date:** August 2, 2017

**Registered Office:**  
604, Manas Complex,  
Jodhpur Cross Road  
Gujarat, India

**By Order of the Board of Directors**  
**Kemistar Corporation Limited**

**Ketan Patel**  
**Managing Director**  
(01157786)



**BOARD REPORT**

To  
The Members,  
**KEMISTAR CORPORATION LIMITED**

Your Directors have pleasure in submitting their **TWENTY THIRD ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

**1. FINANCIAL RESULTS**

The chemicals and other business operations will be operated from Ahmedabad office. The other operations will commence in phased manner hence onward. The Financial Results during the year under review are as under:

<b>Particulars</b>	<b>Year 2016-17 (Rs.)</b>	<b>Year 2015-16 (Rs.)</b>
Income from operations	99,70,725	94,57,293
Income from other heads	5,35,754	1,03,093
Total Expenditure	1,00,45,375	93,46,266
Profit Before Tax	4,61,104	2,14,120
Provision for Tax	1,01,886	45,888
Profit After Tax	3,59,218	1,68,232

**2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

Your company maintain to achieve total income Rs. 10,506,479/- as compared to previous year Rs. 93,46,266.

- (1) **Domestic Sales:** - The domestic sales Increased to Rs. 99,70,725/- as compared to previous year Rs. 94,57,293/-.
- (2) **Other Income:-** Other income increased to Rs. 5,35,754/- as compared to previous year Rs. 1,03,093/-

The Company is Rapidly Expanding due to favorable condition of Indian Environment in Specially Chemical sectors. Company's Profitability has increased more than 200% compared to Financial Year 2015-16 & new avenues of business possibilities.

**3. SHARE CAPITAL**

The paid up Equity Share capital of the Company is Rs. 6,713,920/-. 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 31<sup>st</sup> March 2017.

**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, 2017 was Rs. 20,93,448. 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. FIXED DEPOSIT**

The company has not invited, accepted or renewed any fixed deposit from the public during the year. No amount on account of principal or interest on fixed deposit was outstanding as on the date of Balance sheet. However the company has accepted deposit from Directors, Shareholders and relatives pursuant to Rule 2(1)(c)(xiii) of the Companies (Acceptance of Deposits) Rules, 2014.

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

The Company has not provided any loan to any person or body corporate 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.

During the year company disinvest 47,000 shares of AGR – EH Technologies Pvt. Ltd. Amounting to Rs. 32,90,000/-

**The current investment of the company as on 31<sup>st</sup> March, 2017:**

Rs.17,43,000/- in AGR – EH Technologies Pvt. Ltd.

Rs. 24,99,595 in Reliance Liquid Fund

**8. 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.

The Company also has appointed an external firm of Chartered Accountants to supplement the efficient Internal Audit.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

In the light of various guidelines and applicable provisions your director proposes to broad base the board by the appointment of independent professional directors.

**10. PERFORMANCE EVALUATION OF THE BOARD**

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

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

**11. REMUNERATION AND NOMINATION POLICY**

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

**12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

Six Board Meetings were held during the 12 months accounting period ended 31-3-2017. The dates of such Board Meeting are

- |                                   |                                   |                                   |
|-----------------------------------|-----------------------------------|-----------------------------------|
| 1) 9 <sup>th</sup> May, 2016      | 2) 19 <sup>th</sup> May, 2016     | 3) 30 <sup>th</sup> August, 2016  |
| 4) 29 <sup>th</sup> October, 2016 | 5) 12 <sup>th</sup> January, 2017 | 6) 6 <sup>th</sup> February, 2017 |

**13. 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.

**14. AUDITORS AND AUDITOR'S REPORT:**

Your Company's Auditors, M/s. Gaurav N. Zinzuwadiya, Chartered Accountants, Ahmedabad will retire at the conclusion of the forthcoming Annual General Meeting and they have consented to be re-appointed for the financial year 2017-18. The Company has received a letter from M/s Gaurav N. Zinzuwadiya, stating that their appointment as auditors, if made, would be within the limits specified under Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and as provided in section 141 of Companies Act 2013 and that they are not disqualified for re-appointment within the meaning of Section 139 of the said Act.

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

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

**15. 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 A**

**16. 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 B**

**17. CORPORATE GOVERNANCE**

The Corporate Governance Report together with the certificate received from the Practicing Company Secretary 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 C**

**18. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**19. SECRETARIAL AUDIT**

As a measure of good corporate practice, the board of the director of the Company appointed M/s. Nahidakhtar Vhora & Co., Practicing Company Secretary to conduct Secretarial Audit. The Secretarial Audit Report for the financial year end 31.03.2017 is provided in the Annual Report. - **Annexure E**

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

**20. CORPORATE SOCIAL RESPONSIBILITY**

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

**21. PARTICULARS OF EMPLOYEES:**

The particulars of employees required to be furnished pursuant to section197(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.

**22. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and on arms' length basis. There is no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

During the year 2016-17, The Company have contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013 there was transaction with  
AGR-EH Technologies Pvt. Ltd.

Investment in Shares	17,43,000/-
Purchase of goods	3,40,988/-

K P International Pvt. Ltd.

Purchase of goods	39,900/-
Sales of goods	2,17,875/-

which were on arms' length basis or material in nature

**23. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings and outgoings flow were NIL.

**24. 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.

**25. 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.

**26. PREVENTION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:**

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

**27. COST AUDITORS**

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2016-17.

**28. 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.

**29 . Status of Listing Fees**

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

**29. DECLARATION OF INDEPENDENT DIRECTORS**

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

**30. 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.

**31. STOCK EXCHANGES**

The Company's equity shares have been listed with the Stock Exchanges at Ahmedabad (Regional) the Listing fees to the respective Stock Exchange remain unpaid. Trading has been suspended by Stock Exchanges.

**32. ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board of Directors**

**Place: Ahmedabad**

**Date: 02/08/2017**

**Managing Director  
(DIN: 01157786)**

**Director  
(DIN:02249636)**

**ANNEXURE 'A'**

**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 :**

<b>A.</b>	<b>Power &amp; fuel Consumption</b>	<b>2016-2017</b>	<b>2015-2016</b>
<b>1.</b>	Electricity		
	A. Purchased	-	-
	Units	-	-
	Total amount Rs.	-	-
	Rate/units	-	-
	B. Own Generation:	-	-
	i. Through diesel generator	-	-
	Diesel KI	-	-
	Unit	-	-
	Oil	-	-
	Cost/unit Rs.	-	-
	ii. Through steam turbine / generator	-	-
	Unit	-	-
	Unit per litre of fuel	-	-
	Oil/gas	-	-
	Cost per unit	-	-
<b>2.</b>	Coal(Specify quality & where used)	-	-
	Quantity (tones)	-	-
	Total cost avg. rates	-	-
<b>3.</b>	Furnace oil/SHS	-	-
	Quantity (KL)	-	-
	Total Cost	-	-
	Avg. rate Rs./KL	-	-
<b>4.</b>	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.



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**Annexure B**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2017**

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

## I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L24233GJ1994PLC022845
ii.	Registration Date	:	24/08/1994
iii.	Name of the Company	:	KEMISTAR CORPORATION LIMITED
iv.	Category / Sub Category of the company	:	Company Limited by shares/ NON Government Company
v.	Address of Registered Office and contact details	:	604 Manas Complex, Jodhpur Char Rasta, Satellite, Ahmedabad-380015
vi.	Whether listed company YES / NO	:	YES
vii.	Name, Address and Contact Details of Registrar & Transfer Agent, if any	:	Purva Sharegistry (India) Pvt. Limited Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha marg, Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai-400011.

## 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:-

Sr. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the company
1	Trading Of Specialty Chemicals (Manufacture of pigments and other colouring matter of a kind used in the manufacture of paints or by artists or other painters)	24224	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
-	-	-	-	-	-

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

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 3/31/2016				No. of Shares held at the end of the year 3/31/2017				% of Change during the year
	Demat	Physical	Total	% of Total TOTSHR	Demat	Physical	Total	% of Total TOTSHR	
<b>A. Promoters</b>									
(1) Indian									
(g) Individuals/ HUF	211392	32616	244008	36.34	211392	0	211392	31.49	-4.85
(h) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(i) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(j) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(k) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(l) Any Other....									
* DIRECTORS	0	0	0	0.00	0	0	0	0.00	0.00
*DIRECTORS	0	0	0	0.00	0	0	0	0.00	0.00

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RELATIVES									
* PERSON ACTING IN CONCERN	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A)(1):-</b>	211392	32616	244008	36.34	211392	0	211392	31.49	-4.85
<b>(2) Foreign</b>									
(a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other Individuals									
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other....									
<b>Sub Total (A)(2):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	211392	32616	244008	36.34	211392	0	211392	31.49	-4.85
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)									
* U.T.I.	0	0	0	0.00	0	0	0	0.00	0.00
* FINANCIAL INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
* I.D.B.I.	0	0	0	0.00	0	0	0	0.00	0.00
* I.C.I.C.I.	0	0	0	0.00	0	0	0	0.00	0.00
* GOVERNMENT COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
* STATE FINANCIAL CORPORATION	0	0	0	0.00	0	0	0	0.00	0.00
* QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
* ANY OTHER	0	0	0	0.00	0	0	0	0.00	0.00
* OTC DEALERS (BODIES CORPORATE)	0	0	0	0.00	0	0	0	0.00	0.00
* PRIVATE SECTOR BANKS	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>(2) Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	1056	32168	33224	4.95	1988	31136	33124	4.93	-0.02
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	34256	45264	79520	11.84	35620	76800	112420	16.74	4.90
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	314216	314216	46.80	0	314032	314032	46.77	-0.03
(c) Others (specify)									

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* N.R.I. (NON-REPAT)	0	0	0	0.00	0	0	0	0.00	0.00
* N.R.I. (REPAT)	0	0	0	0.00	0	0	0	0.00	0.00
* FOREIGN CORPORATE BODIES	0	0	0	0.00	0	0	0	0.00	0.00
* TRUST	0	0	0	0.00	0	0	0	0.00	0.00
* HINDU UNDIVIDED FAMILY	24	0	24	0.00	24	0	24	0.00	0.00
* EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
* CLEARING MEMBERS	400	0	400	0.06	400	0	400	0.06	0.00
* DEPOSITORY RECEIPTS	0	0	0	0.00	0	0	0	0.00	0.00
* OTHER DIRECTORS & RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>35736</b>	<b>391648</b>	<b>427384</b>	<b>63.66</b>	<b>38032</b>	<b>421968</b>	<b>460000</b>	<b>68.51</b>	<b>4.85</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>35736</b>	<b>391648</b>	<b>427384</b>	<b>63.66</b>	<b>38032</b>	<b>421968</b>	<b>460000</b>	<b>68.51</b>	<b>4.85</b>
<b>C. TOTSHR held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total(A + B + C)</b>	<b>247128</b>	<b>424264</b>	<b>671392</b>	<b>100.00</b>	<b>249424</b>	<b>421968</b>	<b>671392</b>	<b>100.00</b>	<b>0.00</b>
Other	0	0	0	0.00	0	0	0	0	0

## ii. Shareholding of Promoter

Sr. No.	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 Share Held	% of total shares of the company	% of shares /pledged / encumbered to total shares	No. of Share Held	% of total shares of the company	% of shares /pledged / encumbered to total shares	
1	KETANKUMAR PARASHOTTAMDAS PATEL	28,040	4.18%	-	28,040	4.18%	-	
2	DILIPKUMAR POPATLAL KANANI	27,360	4.08%	-	27,360	4.08%	-	-
3	ANJANA KETANKUMAR PATEL	40,480	6.02%	-	24,400	3.63%	-	2.39
4	PALKAN DILIP KANANI	20,400	3.04%	-	20,400	3.04%	-	-
5	PATEL PARASHOTTAM MOHANLAL	36,936	5.50%	-	20400	3.04%	-	2.46
6	MAHESHKUMAR POPATLAL KANANI	20,240	3.01%	-	20,240	3.01%	-	-
7	SAVALIA VASANTBHAI B	20,040	2.98%	-	20,040	2.98%	-	-
8	MATHURBHAI MANJIBHAI JOGANI	16,400	2.44%	-	16,400	2.44%	-	-
9	INDU MAHESH KANANI	16,240	2.42%	-	16,240	2.42%	-	-
10	KANANI ANILKUMAR DEVRAJBHAI	14,400	2.14%	-	14,400	2.14%	-	-
11	ANILKUMAR C. THAKER	3,472	0.52%	-	3,472	0.52%	-	-
<b>Total</b>		<b>2,44,008</b>	<b>36.34%</b>	<b>-</b>	<b>211392</b>	<b>31.49%</b>		<b>4.85</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
1.	ANJANA KETANKUMAR PATEL	40,480	6.02%	24,400	3.63%
2.	PATEL PARASHOTTAM MOHANLAL	36,936	5.50%	20400	3.04%

### iv. Shareholding Pattern of top ten shareholders

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

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
1	PANKAJ SHARMA	18584	2.77	18584	2.77
2	MOTUMAL T THANDANI	16800	2.5	16800	2.5
3	PARESH P SHAH	16800	2.5	16800	2.5
4	KAMLESH THAKKAR	16000	2.38	16000	2.38
5	RAKESH PATHAK	16000	2.38	16000	2.38
6	SAMIR J BRAHMBHATT	15992	2.38	15992	2.38
7	VASANT KOTHARI	15992	2.38	15992	2.38
8	MUKESH V. PATEL	15976	2.38	15976	2.38
9	PARTH PATEKAR	15496	2.31	15496	2.31
10	ALPESH R PATIL	15368	2.29	15368	2.29

### v. Shareholding of Directors and Key Management Personnel

Sr. No.	Shareholding of each Directors and each Key Management Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
1.	Ketankumar Patel	28,040	4.18%	28,040	4.18%
	At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.) At the end of the year				
2.	Vasantbhai B Savalia	20,040	2.98%	20,040	2.98%
	At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.) At the end of the year	-	-	-	-
3.	Maheshkumar Kanani	20,240	3.01%	20,240	3.01%
	At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.) At the end of the year				
4.	Nayanaben Patel	-	-	-	-
	At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.) At the end of the year	-	-	-	-

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## V. INDEBTEDNESS

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

Particulars	( in Lacs)			
	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and / or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	( in Lacs)	
			Total Amount	
			-	
<b>1.</b>	<b>Gross Salary</b>			
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	-	-
	b. Value of Perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	-	-	-
<b>2.</b>	<b>Stock Option</b>	-	-	-
<b>3.</b>	<b>Sweat Equity</b>	-	-	-
<b>4.</b>	<b>Commission</b>			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
<b>5.</b>	<b>Others. Please specify</b>	-	-	-
	<b>Total (A)</b>	-	-	-

### B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors	( in Lacs)	
			Total Amount	
<b>1.</b>	<b>Independent Directors</b>			
	Fees for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
<b>2.</b>	<b>Other Non-Executive Directors</b>			
	Fees for attending board /	-	-	-

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committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	-
<b>Total B = (1+2)</b>	-	-	-	-	-

## C. Remuneration to Key Management Personnel other than MD, WTD/Manager

( ` in Lacs)

Sr. No.	Particulars of Remuneration	Key Management Personnel				Total Amount
<b>1.</b>	<b>Gross Salary</b>					
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	-	-	-	-
	b. Value of Perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	-	-	-	-	-
<b>2.</b>	<b>Stock Option</b>	-	-	-	-	-
<b>3.</b>	<b>Sweat Equity</b>	-	-	-	-	-
<b>4.</b>	<b>Commission</b>					
	- As % of profit	-	-	-	-	-
	- Others, specify	-	-	-	-	-
<b>5.</b>	<b>Others. Please specify</b>	-	-	-	-	-
	<b>Total (A)</b>	-	-	-	-	-

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

**ANNEXURE C****CORPORATE GOVERNANCE****INTRODUCTION**

The Directors present the company's Report on Corporate Governance as set out in Clause 49 of the Listing Agreement. This Report sets out the Compliance status of the company with the requirements of Corporate Governance for Financial Year 2016-17.

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

**1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

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

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

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

**2. BOARD OF DIRECTORS**

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

During the financial year 2016-17, 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, 2017, the total strength of Board of Directors consists of 4 directors, comprising of:-

<b>Category</b>	<b>No.</b>	<b>Percentage to total No. of Directors</b>
<b>Executive Directors</b>	<b>1</b>	<b>25%</b>
<b>Non Executive Independent</b>	<b>3</b>	<b>75%</b>
<b>Total</b>	<b>4</b>	<b>100%</b>



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## A. The constitution of the Board as on 31.03.2017

Name of Director	Designation	Category	Directorship in Other Public Limited Companies	Committee Membership Of other Companies
MR. KETANKUMAR P. PATEL	Managing Director	Executive	NIL	NIL
MR. VASANTBHAI B. SAVALIA	Non Executive Director	Non Executive	NIL	NIL
MR. MAHESHKUMAR KANANI	Independent Director	Non Executive	NIL	NIL
MRS. NAYANABEN PATEL	Independent Director	Non Executive	NIL	NIL

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

Sr no.	Name of Directors	No. of Board Meeting Attend	Last Annual General Meeting
1	MR. KETANKUMAR P. PATEL	6	YES
2	MR. VASANTBHAI B. SAVALIA	6	YES
3	MR. MAHESHKUMAR KANANI	6	YES
4	MRS. NAYANABEN PATEL	6	YES

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

Six Board Meetings were held during the 12 months accounting period ended 31-3-2017. The dates of such Board Meeting are

- 1) 9th May, 2016
- 2) 19th May, 2016
- 3) 30th August, 2016
- 4) 29th October, 2016
- 5) 12th January, 2017
- 6) 6th February, 2017

## D. 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.

## E. 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 2016-17.

## F. 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 2016-17. Annual Declaration by the Managing Director to this effect is annexed at the end of this report.

## 3. 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

#### **I 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.

<b>SR NO.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Mr. MAHESHKUMAR KANANI	Independent Director- Chairman
2.	Mrs. NAYANABEN PATEL	Independent Director- Member
3.	Mr. KETANKUMAR PATEL	Managing Director- Member

They have considered the draft account and internal Audit Reports and quarterly results.

Attendance during the accounting year ended 31.03.17 is as under:

<b>Sr. no.</b>	<b>Member</b>	<b>Category</b>	<b>Meeting Attended</b>
1.	Mr. MAHESHKUMAR KANANI	Chairman	YES
2.	Mrs. NAYANABEN PATEL	Member	YES
3.	Mr. KETANKUMAR PATEL	Member	YES

The Company Secretary acts as secretary to the committee

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:

- (a) To review the audit plan and Company's external auditors report;
- (b) To review the co-operation given by the Company's officers to the external auditors;
- (c) To review the financial statements of the Company before their submission to the Board;
- (d) To review the scope and results of internal audit procedures;
- (e) To nominate external auditors for re-appointment; and
- (f) To review interested person transaction
- (g) Evaluation of Whistle Blower mechanism and its functioning

#### **II SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

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

<b>Sr. no.</b>	<b>Particular</b>
Mr. MAHESHKUMAR KANANI	Independent director & Chairperson
MR. VASANTBHAI B SAVALIA	Non Executive Director- Member

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 transfer of shares were pending as on 31st March 2017.

#### **Details of Shareholders' Complaints:-**

<b>Details of Complaints Received</b>	<b>Nos.</b>
Number of Shareholders' Complaints received From 01.04.16-31.03.2017	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2017	0

### **III) 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

Sr. no.	Particular
MRS. NAYANABEN PATEL	Independent director & Chairperson
MR. VASANTBHAI B SAVALIA	Non Executive Director- Member
MR. MAHESHKUMAR KANANI	Independent Director- Member

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.

**4. 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
Mrs. Nayanaben Patel	1	1
Mr. Maheshkumar Kanani	1	1

**5. GENERAL BODY MEETINGS**

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

Financial Year	Category-Date	Time	Venue
2015-16	Annual General Meeting 30/09/2016	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite,Ahmedabad – 380015.
2014-15	Annual General Meeting 30/09/2015	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite,Ahmedabad – 380015.
2013-14	Annual General Meeting 30/09/2014	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite,Ahmedabad – 380015.

(b) **Whether the special resolutions were put through last year, hence last year, details of voting pattern.**

No Special Resolution was required to be passed last year hence there was no necessary of postal ballot.

**6. DISCLOSURE**

**1. Disclosure of Material Transaction**

(a) Disclosure on materially significant related party transactions, i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries of relative etc. that may have potential conflict with the interests of company at large.

(b) Details on non-compliance by the company, penalties, strictures, imposed, on the company by Stock Exchange or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

**2. Related Party Transaction**

During the year 2016-17, there was transaction with AGR-EH Technologies Pvt. Ltd. of Rs.3,40,988/- K P international Pvt. Ltd. Rs. 2,57,775

**7. 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. 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.

# KEMISTAR CORPORATION LIMITED

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

## 8. INTERNAL CONTROL SYSTEM

The company has got adequate Internal Control System and procedure relating to the purchase of various raw-materials, stores and other consumables. The Plants are sending regular and timely reports to the managing director and other management executives at Head Office and corrective actions as and when, required are being taken by the Head Office.

## 9. GENERAL SHAREHOLDERS' INFORMATION

### (A) Annual General Meeting

**Date & Time** : 1<sup>st</sup> September, 2017 11.00 A.M.  
**Venue** : 604, Manas Complex,  
Jodhpur Cross Road ,  
Satellite, Ahmedabad – 380015

### (B) Financial calendar

- Financial year for 2016-2017
- Results announced on

First Quarter Result	13 <sup>th</sup> August, 2016
Second Quarter & Half Yearly Result	29 <sup>th</sup> October, 2016
Third Quarter Result	6 <sup>th</sup> February, 2017
Fourth Quarter	30 <sup>th</sup> May, 2017
Annual General Meeting 2016-17	1 <sup>st</sup> September, 2017

**(C) Book Closure Dates:** Tuesday, 29<sup>th</sup> August, 2017 to  
Thursday, 31<sup>st</sup> August, 2017 (both days inclusive)

**(D) Dividend Payment Date:** N.A.

### (E) Listing & Stock Code:

Name of Stock Exchange	Stock Code
Bombay Stock Exchange	531163

### (F) Registrar and Transfer Agent:

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

Purva Sharegistry (India) Pvt. Limited  
Unit no. 9, ShivShakti ind. Estt.  
J.R. Boricha marg, Opp. Kasturba Hospital Lane  
Lower Parel (E), Mumbai-400 011.

### (G) 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, 2017 are as under:-

Month	Kemistar Corporation Ltd			Nos. of Shares Traded	Turn over Rs in thousands
	High Rs.	Low Rs.	Close Rs.		
April 16	11.13	11.13	11.13	1700	18,921
May 16	12.26	11.68	12.26	7200	84154
June 16	-	-	-	0	0
July 16	12.87	12.87	12.87	100	1,287
August 16	13.51	13.51	13.51	400	5,404
September 16	14.18	14.18	14.18	700	9,926
October 16	14.88	14.88	14.88	700	10,416
November 16	-	-	-	0	0
December 16	-	-	-	0	0
January 17	-	-	-	0	0
February 17	-	-	-	0	0
March 17	-	-	-	0	0

**(H) Distribution of shareholding as on 31<sup>st</sup> March 2017.**

Sr.	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>Promoters Holding</b>		
1	- Indian Promoters & persons acting in concert	211392	31.49%
2	- Foreign Promoters	-	-
	Sub-Total	211392	31.49%
<b>B</b>	<b>Non-Promoters Holding</b>		
	Institutional Investors		
1	- Mutual Funds & UTI	-	-
2	- Banks, FI, Insurance Companies, (Central, State Govt. Institutions, Non Govt. Institutions)	-	-
3	- FIs	-	-
	Sub- Total	-	-
<b>C</b>	<b>Others</b>		
1	- Private Bodies – Other Bodies Corporate	33524	4.99%
2	- Indian Public	426452	63.52%
3	HUF	24	0.003%
4	- Any Other (Specify)	-	-
	Sub- Total	4,27,384	68.52%
	<b>TOTAL</b>	6,71,392	100%

Outstanding GDRs/ADRs/warrants or any Convertible Instruments  
Conversion date and likely impact on equity – Nil

**(I) LOCATION**

Registered office of the company is located at 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380 015.

**(J) 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 Code while laying down, in detail, the standards of business conduct, ethics and governance, centers on the following theme:

" The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually, A declaration signed by the Chairman and Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business conduct & ethics for Director's/Management Personnel in respect of the financial year 2016-17.

**(K) COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of Conditions of the Code of Corporate Governance as stipulated in Clause 49 and the same is annexed.

# KEMISTAR CORPORATION LIMITED

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

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## **(L) DECLARATION-CODE OF CONDUCT**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

**For and on behalf of the Board of Directors**

**Place: Ahmedabad**  
**Date: 02/08/2017**

**Managing Director**  
**(DIN: 01157786)**

**Director**  
**(DIN:02249636)**



# KEMISTAR CORPORATION LIMITED

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

## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,  
The Board of Directors  
**KEMISTAR CORPORATION LIMITED**  
604, Manas Complex,  
Jodhpur Cross Road,  
Satellite, Ahmedabad-380 015.

We have examined the compliance of the conditions of Corporate Governance **KEMISTAR CORPORATION LIMITED** for the year ended 31<sup>st</sup> March, 2017 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements except Company has not paid Listing fees to stock exchange and trading in shares has been suspended.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Registrar and Share Transfer Agent.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, GAURAV N. ZINZUWADIYA**  
**Chartered Accountants**

**Place: Ahmedabad**  
**Date: 02/08/2017**

**Gaurav Zinzuwadiya**  
**Proprietor**  
**M.No. 150295**

**Annexure D****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Notice to the shareholder for MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR) as a part of the corporate governance report as per clause 49 of the listing agreement.

**1. INDUSTRY STRUCTURE AND DEVELOPEMENT:**

The chemical industries play an important role in the overall development of the Indian economy .The chemical industry is an integral constituent of the growing Indian Industry. This industry is going through a tremendous period of change that will help define opportunities and challenges in both the short and the long term. The Company is dealing in Specialty chemical and market of the Chemical is very vast and lucrative, which help the increase in growth of the Company.

**2. OPPORTUNITIES AND OUTLOOK:**

Chemical industry in India is the third largest producer in Asia and sixth largest in the world. Indian chemical industry is expected to double its share in global chemical industry to 5-6% by 2021 registering growth of 8-9% in the next decade. Number of MNCs is focusing on India for their manufacturing hub. Lower cost of labour, availability of key raw materials, large consumer markets and adaptability to technology are some of main attractions for having a strong manufacturing base in India. It will potentially improve efficiencies and reduce costs. Capping of GST rates at 18% for chemical industry will have strong positive impact on the sector.

**3. RISK, CONCERNS AND THREATS:**

Risk is inherent in every form of enterprise and different risks have different impact on business. (a) Volatility in prices of raw material especially crude oil and transportation cost can adversely affect the business operations and can thin out profitability of the Company. There is also a need to encourage R&D and ease registration process for development of new molecules.

Any adverse changes in the political, climatic, economic, regulatory or social conditions of these countries might impact the Company's business prospects in these countries. Any change in the policies implemented by the Government, which result in currency and interest rate fluctuations, capital restrictions, changes in duties & taxes and a registration regime detrimental to the Company's business could adversely affect its operations and future growth. Increase in crude prices will also impact the costs and prices of various products. Irregular supply of the raw materials can also affect the business of the Company.

**4. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

The Company has implemented internal control system across its operations to ensure that all assets are adequately safeguarded and protected against loss from unauthorized use. The Company has established well defined roles of the employees of the company. The senior executives are equipped with authority and are responsible for major operational activities of the company. The Board of Directors is provided timely and requisite information for control and review of the operations of the company. The Company is taking service of qualified person to assist the management in effective discharge of its responsibilities by furnishing it with findings, observations and pertinent comments, adequacy of internal controls, analysis and recommendations concerning the activities covered for audit and reviewed by it during the year.

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

**5. FINANCIAL PERFORMANCE:****A. Standalone Financial Performance:****(i) Net Sales and Other Income:**

Net Sales and other income for the year under review Increase from Rs. 95,60,386/- to Rs.1,05,06,479/-.

**(ii) Expenditure:**

The total expenditure Increased from Rs. 93,46,266/- to Rs. 1,00,45,375/- for the financial year 2016-17.

**IV) Profit before Tax:**

The Profit before tax increased from Rs. 2,14,120/- to 4,61,104/- for the year 2016-17.

**(v) Profit after tax:**

The Total profit Increased from Rs. 1,68,232/- to Rs. 3,59,218/-

**(vi) Net Block:**

The net block decreased from Rs.4,62,348 /- to Rs. 4,47,270/- for the year 2016-17, which was on account of depreciation.

**6. DEVELOPMENT IN HUMAN RESOURCES:**

The Company considers its employees as its main assets. The management believes in the philosophy of the development of the Company as well as its employees. The management assigns the works and also gives them proper guidance and time for fulfillment of any of their responsibility. Hence, the employees also feel faithful and perform their duties with dedication Training needs are identified to meet individual requirements through in-house training, on-the-job training as a continuous process. Trainings are classified on the basis of requirements like individual development on soft skills, professional & technical skills and management development program. Current efforts also include building skills, attracting and retaining talent and nurturing and developing leadership potential.

**7. ENVIRONMENT, HEALTH & SAFETY (EHS)**

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

**8. CAUTIONARY STATEMENT:**

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

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date :- 02/08/2017

Managing Director  
(DIN: 01157786)

Director  
(DIN:02249636)

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

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

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**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

To,  
The Members,  
**KEMISTAR CORPORATION LIMITED**  
CIN: L24233GJ1994PLC022845

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2017 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. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - 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, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I was not required to examine the records of the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. 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;
- II. As declared by the management, at present there is no law which is specifically applicable to the company.

I 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 Obligations Disclosure Requirements, 2015.

***During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;***

1. *The Company has not appointed Chief financial Officer (CFO) in respect of key managerial personnel 2016-17 during the year. The company is in process to appoint CFO for the year is under review.*
2. *The Company has lapse in compliance of regulation 47 (1) for 1<sup>st</sup> Quarter of Listing Obligations Disclosure Requirements, 2015.*

I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the following observations:

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that, during the audit period the Company has not entered into any scheme of compromise or arrangement which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad  
Date: 02<sup>nd</sup> August, 2017

for Nahidakhtar Vhora & Co.  
Company Secretaries

Nahidakhtar A. Vhora  
(Proprietor)  
M.No. 35492  
CP. No.: 13187

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
KEMISTAR CORPORATION LIMITED  
AHMEDABAD.**

I have audited the accompanying standalone financial statements of **KEMISTAR CORPORATION LIMITED ("The Company")**, which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

**Managements' Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matter stated in section 134(5) of The Companies Act 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principle generally accepted in india, including the Indian Accounting Standards Specified under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with provision of the act for safeguarding of assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimate 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 standalone financial statements that give a true and fair view and free from material misstatement, weather due to fraud or error.

**Auditor's responsibility**

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

**Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017; and
- b) in the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date.

**Report On other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the **Annexure "1"** a statement on the matter specified in paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
  - c) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In my opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2017, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in **"Annexure 2"**.
  - g) As required by the rule 11 of the companies (Audit and Auditors) Rules, 2014, and in our opinion and to the best of our information and according to the explanation given to me:
    - i). The company is not having any pending litigation and hence there is no further comments required.
    - ii). The company has not incurred any material foreseeable losses on long term contracts including derivative contracts hence no provision for such losses required.
    - iii). There were no amounts which were required to be transferred to the investor education and protection fund by the company hence no further comment is required in this matter.
    - iv). The company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealing in specified bank notes during the period from 8 November 2016 to 30 December 2016 and this are in accordance with the books of accounts maintained by the company. Part V of Notes Forming Part of Accounts.

**For, GAURAV N. ZINZUWADIYA**  
**CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD**  
**DATE : 30<sup>th</sup> May, 2017**

**(CA Gaurav Zinzuwadiya)**  
**PROPRIETOR**  
**M.NO. 150295**



**ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in Paragraph 1 Report On Other Legal and Regulatory Requirements of My Report of even date on the Accounts for the year ended on 31<sup>st</sup> March, 2017 of KEMISTAR CORPORATION LIMITED.)**

1. In respect of its fixed assets:-
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
  - (c) The company is holding title deed in its name for the immovable property. There is no such assets for which the company is not holding a title deed.
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 records.
3. The Company has not granted any secured or unsecured loans to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, no further comments are required to be made.
4. As per information and explanation provided to me and as per my opinion, the company has complied with the provisions of the section 185 and 186 of the Companies Act 2013. Hence no further comments are required in respect of loans, investment, guarantees and security.
5. The Company has not accepted any deposits from public. Consequently the directives issued by the Reserve bank of India read with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies(Acceptance of Deposit) Rules, 2015 with regard to the deposit accepted from the public are not applicable.
6. I have been informed that the Central Government has not prescribed maintenance of Cost records under Section 148(1) of the Companies Act , 2013 . Therefore, no comments are required to be made.
7. In respect of statutory dues:-
  - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance Contribution, Income tax, Excise Duty, Customs Duty, Sales tax, and other dues as may be relevant have been generally regularly deposited with the appropriate authorities.
  - (b) As informed to me, there are no disputed statutory dues, which have not been deposited on account of matters pending before appropriate authorities.
8. The Company had no dues to financial institution, bank or debenture holders during the year under Audit. Therefore, no comments are required about repayment of dues thereon.



# KEMISTAR CORPORATION LIMITED

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

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9. In my opinion and according to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon
10. In my opinion and according to the information and explanations given to me, No fraud on or by the Company has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In my opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In my opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. In my opinion and as per information and explanation provided to me by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. In my opinion and as per information and explanation provided to me by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In my opinion and as per information and explanation provided to me by the management, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, GAURAV N. ZINZUWADIYA**  
**Chartered Accountants**

**PLACE: AHMEDABAD**

**DATE : 30<sup>th</sup> May,2017**

**CA Gaurav Zinzuwadiya**  
**Proprietor**  
**M.No. :- 150295**

**ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT****"Annexure 2" to the Independent Auditor's Report of even date on the Standalone Financial Statements of KEMISTAR CORPORATION LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

I have audited the internal financial controls over financial reporting of KEMISTAR CORPORATION LIMITED ("the Company") as of March 31, 2017 in conjunction with my 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. 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**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that 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 My 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 March 31, 2017, 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, GAURAV N. ZINZUWADIYA  
CHARTERED ACCOUNTANTS**

**PLACE: - AHMEDABAD**

**DATE: - 30<sup>th</sup> May, 2017**

**C.A. Gaurav Zinzuwadiya  
Proprietor  
M. No. :- 150295**

# KEMISTAR CORPORATION LIMITED

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

Name of the Company :- **KEMISTAR CORPORATION LTD.**

Balance Sheet as at : **31 March, 2017**

Sr. No.	Particulars	Note no.	As at 31 March, 2017 Rupees	As at 31 March, 2016 Rupees
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>Shareholders' funds</u></b>			
	(a) Share capital	1	6,713,920	6,713,920
	(b) Reserves and surplus	2	621,924	262,706
	(c) Money received against share warrants		-	-
			<b>7,335,844</b>	<b>6,976,626</b>
<b>2</b>	<b><u>Share application money pending allotment</u></b>		-	-
<b>3</b>	<b><u>Non-current liabilities</u></b>			
	(a) Long-term borrowings	3	-	-
	(b) Deferred tax liabilities (Net)		27,052	23,060
	(c) Other long-term liabilities	4	-	-
	(d) Long-term provisions	5	-	-
			<b>27,052</b>	<b>23,060</b>
<b>4</b>	<b><u>Current liabilities</u></b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables	6	1,946,983	1,660,897
	(c) Other current liabilities	7	491,420	54,750
	(d) Short-term provisions	8	612,426	787,333
			<b>3,050,829</b>	<b>2,502,980</b>
	<b>TOTAL [ 1+2+3+4 ]</b>		<b>10,413,725</b>	<b>9,502,666</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b><u>Non-current assets</u></b>			
	(a) Fixed assets			
	(i) Tangible assets	9	447,270	462,348
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			<b>447,270</b>	<b>462,348</b>
	(b) Non-current investments	10	-	-
	(c) Deferred tax assets (Net)		-	-
	(d) Long-term loans and advances	11	-	-
	(e) Other non-current assets	12	-	20,000
			<b>447,270</b>	<b>482,348</b>
<b>2</b>	<b><u>Current assets</u></b>			
	(a) Current investments	13	4,242,595	5,683,091
	(b) Inventories	14	40,000	267,650
	(c) Trade receivables	15	3,455,463	2,945,201
	(d) Cash and cash equivalents	16	2,093,448	69,092
	(e) Short-term loans and advances	17	134,949	55,284
	(f) Other current assets	18	-	-
	<b>TOTAL [ 1+2 ]</b>		<b>9,966,455</b>	<b>9,020,318</b>
			<b>10,413,725</b>	<b>9,502,666</b>

See accompanying notes to and forming part of the financial statements, as per Annexure- 1.

As per my audit report of even date attached.

For, **GAURAV N. ZINZUWADIYA**  
Chartered Accountants

**Gaurav Zinzuwadiya**  
Proprietor  
M. No. :- 150295  
Place: Ahmedabad  
Date: 30<sup>th</sup> May 2017.

For and on behalf of the Board of Directors

**Director**  
(DIN: 01157786)  
Place: Ahmedabad  
Date: 30<sup>th</sup> May 2017.

**Director**  
(DIN:02249636)

# KEMISTAR CORPORATION LIMITED

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

Profit and loss statement for the year ended : **31 March, 2017**

Sr. No.		Note No.	For the year ended 31 March, 2017 Rupees	For the year ended 31 March, 2016 Rupees
I	Revenue from operations	23	9,970,725	9,457,293
II	Other income	24	535,754	103,093
III	<b>Total Revenue (I + II)</b>		<b>10,506,479</b>	<b>9,560,386</b>
IV	<b>Expenses :-</b>			
	(a) Cost of materials consumed	25	-	-
	(b) Purchases of stock-in-trade	26	5,218,514	5,220,035
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	227,650	(267,650)
	(d) Employee benefits expense	28	1,450,619	1,138,467
	(e) Finance costs	29	-	-
	(f) Depreciation and amortisation expenses	30	15,078	15,078
	(g) Other expenses	31	3,133,514	3,240,336
	<b>Total expenses</b>		<b>10,045,375</b>	<b>9,346,266</b>
V	<b>Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>461,104</b>	<b>214,120</b>
VI	Exceptional items	32	-	-
VII	<b>Profit / (Loss) before extraordinary items and tax (V - VI)</b>		<b>461,104</b>	<b>214,120</b>
VIII	Extraordinary items	33	-	-
IX	<b>Profit / (Loss) before tax ( VII-VIII)</b>		<b>461,104</b>	<b>214,120</b>
X	<b>Tax expense:</b>			
	(a) Current tax		97,894	41,241
	(b) Deferred tax		3,992	4,647
			<b>101,886</b>	<b>45,888</b>
XI	<b>Profit / (Loss) from continuing operations (IX-X)</b>		<b>359,218</b>	<b>168,232</b>
XII	Profit / (Loss) from discontinuing operations (before tax)		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from Discontinuing operations (after tax)(XII-XIII)		-	-
XV	<b>Profit / (Loss) for the period (XI+ XIV)</b>		<b>359,218</b>	<b>168,232</b>
XVI	<b>Earnings Per Equity Share</b>			
	(1) Basic		<b>0.54</b>	<b>0.25</b>
	(2) Diluted		<b>0.54</b>	<b>0.25</b>

**See accompanying notes to and forming part of the financial statements, as per Annexure- 1.**

*As per my audit report of even date attached.*

**For, GAURAV N. ZINZUWADIYA**  
Chartered Accountants

Gaurav Zinzuwadiya

Proprietor

Place : AHMEDABAD

Date : 30<sup>th</sup> May 2017

**For and on behalf of the Board of Directors**

Director  
(DIN: 01157786)

Director  
(DIN:02249636)

Place : AHMEDABAD

Date : 30<sup>th</sup> May 2017

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

**Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)**

**Note 1 : Share capital**

Particulars	As at 31 March, 2017		As at 31 March, 2017	
	Number of shares	Rupees	Number of shares	Rupees
<b>(a) Authorised :-</b> Equity shares of Rs. 10/- each with voting rights ( all other than differential voting rights)	8500,000	8,5000,000	8,500,000	85,000,000
<b>(b) Issued :-</b> Equity shares of Rs. 10/- each with voting rights ( all other than differential voting rights)	671,392	6,713,920	671,392	6,713,920
<b>(c) Subscribed and fully paid up :-</b> Equity shares of Rs. 10/- each with voting rights ( all other than differential voting rights)	671,392	6,713,920	671,392	6,713,920
<b>(d) Subscribed but not fully paid up</b>	-	-	-	-
<b>Total</b>	<b>671,392</b>	<b>6,713,920</b>	<b>671,392</b>	<b>6,713,920</b>

**Particulars of Shares held by each Share holder holding more than 5 ( five) percent shares :-**

Name of Share holder	As at 31 March, 2017		As at 31 March, 2017	
	Number of shares	Rupees	Number of shares	Rupees
Parshottamdas Mohanlal Patel	-	-	36,936	369,360
Anjana Ketankumar Patel	-	-	40,480	404,800

**Particulars of Calls Unpaid :-**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Rupees	Number of shares	Rupees
(a) Unpaid by directors and Officers	NIL	NIL	NIL	NIL
(b) Unpaid by Others	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

**Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)**

Particulars	As at 31 March, 2017 Rupees	As at 31 March, 2016 Rupees
<b><u>Note 2 : Reserves and surplus</u></b>		
(a) Capital reserve	-	-
(b) Capital redemption reserve	-	-
(c) Securities premium account	-	-
(d) Debenture redemption reserve	-	-
(e) Revaluation reserve	-	-
(f) Share options outstanding account	-	-
(g) Other Reserves :-	-	-
(i) Surplus / (Deficit) in Statement of Profit and Loss :-		
Opening balance	262,706	(77,115,606)
Add: Profit / (Loss) for the year	359,218	168,232
Add: Written Off Reserve and Surplus due to Capital Restructure	-	77,210,080
Less: Amount transferred to asset due to Depreciation	-	-
Less: Amount transferred to General Reserve	-	-
Closing balance	<b>621,924</b>	<b>262,706</b>
<b>Total</b>	<b>621,924</b>	<b>262,706</b>
<b><u>Note 3 : Long-term borrowings</u></b>		
(a) Bonds / debentures	-	-
(b) Term loans from Banks :-	-	-
(c) Deferred Payment Liabilities	-	-
(d) Deposits	-	-
(e) Loans And advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other Loans and advances	-	-
<b>Total</b>	-	-
<b><u>Note 4 : Other Long term liabilities</u></b>		
(a) Trade Payables	-	-
(b) Others	-	-
<b>Sub Total</b>	-	-
<b>Total</b>	-	-
<b><u>Note 5 : Long term provisions</u></b>		
(a) Provision for employee benefits	-	-
(b)Others	-	-
<b>Total</b>	-	-
<b><u>Note 6 : Trade payables</u></b>		
(a) Acceptances	-	-
(b) Other than Acceptances	1,946,983	1,660,897
<b>Total</b>	<b>1,946,983</b>	<b>1,660,897</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

**Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 7 : Other current liabilities</b>		
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables :-	-	-
(i) Statutory remittances :-		
TDS Payable	21,748	54,750
<b>Sub Total</b>	21,748	54,750
(ii) Creditors for Expenses		
Commission Payable	464,002	
<b>Sub Total</b>	464002	-
(iii) Advance for Debtors		
Shiv Gorax Agro Deodar	5670	
<b>Sub Total</b>	5670	
<b>Total</b>	<b>491,420</b>	<b>54,750</b>
<b>Note 8 : Short-term provisions</b>		
(a) Provision for employee benefits	-	-
- Provision For Director Remuneration	-	200,000
- Provision For Salary	434,532	332,556
(b) Others :-	-	-
- Provision For Income Tax	97,894	41,241
- Provision for audit fees	80,000	25,500
- Unpaid Godown Rent	-	56,800
- Unpaid Director Travelling Expenses	-	120,000
- Provision for Listing Agreement Fees	-	11,236
<b>Sub Total</b>	177,894	254,777
<b>Total</b>	<b>612,426</b>	<b>787,333</b>



# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

**Note 9 : Tangible Fixed Assets**

S R - N O .	NAME OF ASSET	RA TE  %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
			AS ON	AD DITI ONS	DE DU - CTI O NS	AS ON	UPTO	FOR THE	UPTO	AS ON	AS ON
			01.04.2016 Rs.	Rs.	Rs.	31.03.2017 Rs.	31.03.2016 Rs.	YEAR Rs.	31.03.2017 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
1	<b>Land</b>	-	111,125	-		111,125	-	-	-	111,125	111,125
	<i>P.Y.</i>		<i>111,125</i>			<i>111,125</i>	-	-	-	<i>111,125</i>	<i>111,125</i>
2	<b>Buildings</b>										
	Office Building	No te 3	441,742	-	-	441,742	90,519	15,078	105,597	336,145	351,223
	<i>P.Y.</i>		<i>441742</i>	-	-	<i>441,742</i>	<i>75,441</i>	<i>15,078</i>	<i>90,519</i>	<i>351,223</i>	<i>366,301</i>
3	<b>Plant and Equipment s</b>		-	-	-	-	-	-	-	-	-
	<i>P.Y.</i>		-	-	-	-	-	-	-	-	-
4	<b>Furniture and Fixtures</b>		-	-	-	-	-	-	-	-	-
	<i>P.Y.</i>		-	-	-	-	-	-	-	-	-
5	<b>Vehicles</b>		-	-	-	-	-	-	-	-	-
	<i>P.Y.</i>		-	-	-	-	-	-	-	-	-
6	<b>Office Equipment s</b>										
a	Computer System		80,941	-	-	80,941	80,941	-	80,941	-	-
	<i>P.Y.</i>		<i>80,941</i>	-	-	<i>80,941</i>	<i>80,941</i>	-	<i>80,941</i>	-	-
	<b>Total (6)</b>		80,941	-	-	80,941	80,941	-	80,941	-	-
	<i>P.Y.</i>		<i>80,941</i>	-	-	<i>80,941</i>	<i>80,941</i>	-	<i>80,941</i>	-	-
7	<b>Others</b>		-	-	-	-	-	-	-	-	-
	<i>P.Y.</i>		-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>		633,808	-	-	633,808	171,460	15,078	186,538	447,270	462,348
	<i>P.Y.</i>		<i>633,808</i>	-	-	<i>633,808</i>	<i>156,382</i>	<i>15,078</i>	<i>171,460</i>	<i>462,348</i>	<i>477,426</i>

**Notes:**

1. There is no Asset under Lease
2. No revaluation of assets were made during the financial year 2016-17
3. A per Notes Forming Parts of Financial Statements Part 1 (1)(e)

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE - 1

Notes to and forming part of the financial statements ( As per Schedule VI) (Revised)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 10 : Non current Investments</b>		
(a) Trade investments	-	-
(b) Other Investments		
(i) Investments Property	-	-
(ii) Investments in equity Instrument	-	-
(iii) Investments In Preference Shares	-	-
(iv) Investments in government or trust securities :-		
- National Savings Certificates ( NSC)	-	-
(v) Investments in debenture or bonds	-	-
(vi) Investments in mutual funds	-	-
(vii) Investments in Partnership firms	-	-
(viii) Other Non-current investments	-	-
<b>Sub Total</b>	-	-
<b>Total</b>	-	-
<b>Note 11 : Long term loans and advances</b>		
(a) Capital advances	-	-
(b) Security Deposits :-		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
<b>Sub Total</b>	-	-
(c) Loans and advances to related parties	-	-
(d) Other loans and advances :-		
Secured, considered good	-	-
Unsecured, considered good :-	-	-
Doubtful	-	-
<b>Sub Total</b>	-	-
<b>Total</b>	-	-
<b>Note 12 : Other Non current Assets</b>		
(a) Long term trade receivables	-	-
(b) Unamortised Expenses :-		
<b>Sub Total</b>	-	-
(c) Others		
- EMD Tender Deposit	-	20,000
<b>Total</b>	-	<b>20,000</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI) (Revised)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note 13 : Current Investments</b>		
- Other Investments		
(i) Investments Property	-	-
(ii) Investments in equity Instrument	-	-
- AGR-EH Technologies Pvt. Ltd.	1,743,000	5,033,000
(iii) Investments In Preference Shares	-	-
(iv) Investments in government or trust securities	-	-
(v) Investments in debenture or bonds	-	-
(vi) Investments in mutual funds- Reliance Liquid Fund	2,499,595	650,091
(vii) Investments in Partnership firms	-	-
(viii) Other current investments	-	-
<b>Total</b>	<b>4,242,595</b>	<b>5,683,091</b>
<b>Note 14 : Inventories</b>		
<b>Valued at Cost or Market Value whichever is less</b>		
(a) Raw materials	-	-
(b) Work in Progress	-	-
(c) Finished goods	40,000	267,650
(d) Stock-in-trade ( in respect of goods acquired for trading)	-	-
(e) Stores and spares	-	-
(f) Others	-	-
<b>Total</b>	<b>40,000</b>	<b>267,650</b>
<b>Note : 15 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :-		
(a). Secured, considered good	-	-
(b). Unsecured, considered good	12,180	-
(c). Doubtful	-	-
	12,180	-
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>12,180</b>	<b>-</b>
Other Trade receivables :-		
(a). Secured, considered good	-	-
(b). Unsecured, considered good	3,443,283	2,945,201
(c). Doubtful	-	-
	3,443,283	2,945,201
Less: Provision for doubtful trade receivables	-	-
	3,443,283	2,945,201
<b>Total</b>	<b>3,455,463</b>	<b>2,945,201</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

**Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
<b>Note: Trade receivables include debts due from : -</b>		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director/member	-	-
	-	-
<b>Note 16 : Cash and cash equivalents</b>		
(a) Balances with banks	2,060,491	37,706
(b) Cheques, drafts on hand	-	-
(c) Cash on hand	32,957	31,386
(d) Others	-	-
<b>Total</b>	<b>2,093,448</b>	<b>69,092</b>
<b>Note 17 : Short-term loans and advances</b>		
(a) Loans and advances to related parties	-	-
(b) Advances With Government Authorities :-		
(A). Advance Tax F.Y. 2016-17	68,000	-
(B). Advance Tax F.Y. 2015-16		36,000
(C). VAT Receivable	66,949	19,284
(b) Others :-		
(A). Secured, considered good	-	-
(B). Unsecured, considered good :-	-	-
(C). Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
<b>Total</b>	<b>134,949</b>	<b>55,284</b>
<b>Note: Short-term loans and advances include amounts due from</b>		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
<b>Total</b>	-	-

**KEMISTAR CORPORATION LIMITED**

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

Particulars	As at 31 March,2017 Rupees	As at 31 March, 2016 Rupees
<b>Note 18 : Other current asset</b>	-	-
<b>Note 19 : Contingent Liabilities and Commitments ( to the extent not provided for as on 31st march 2012)</b>		
<b>As Certified by the management</b>		
- Contingent Liabilities	NIL	NIL
- Commitments	NIL	NIL
<b>Note 20 : Amount of Dividend Proposed to be distributed to Equity and Preference Share Holders</b>		
(a) Dividend Proposed	NIL	NIL
(b) Arrears of Cumulative Dividend	NIL	NIL
<b>Note 21 : Securities made for specific purpose</b>		
No security has been made for specific purpose. Hence, not Applicable.	NIL	NIL
<b>Note 22 : Realization of Current Assets</b>		
In the opinion of the Board, there are no fixed assets other than fixed assets and non-current investments which do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.	NIL	NIL

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

Particulars	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
	Rupees	Rupees
<b>Note 23 : Revenue from operations</b>		
(a) Sale of products	9,993,425	9,471,590
(b) Sale of services	-	-
(c) Other operating revenues	-	-
- Discount/ Kasar	2,722	(14,297)
<b>Total</b>	<b>9,996,147</b>	<b>9,457,293</b>
(d) Sales Goods Return	25,422	-
<b>Net Total</b>	<b>9,970,725</b>	<b>9,457,293</b>
<b>Note 24 : Other income</b>		
a Interest Income	-	-
- Interest On NSC	-	12,874
b Dividend Income	-	-
c Net Gain/Loss on sale of investments	-	-
- Short term capital gain	249,504	90,219
d Other non-operating income	286,250	-
<b>Total</b>	<b>535,754</b>	<b>103,093</b>
<b>Note 25 : Cost of materials consumed</b>		
<b>Raw materials :</b>		
Opening stock	-	-
Add : Purchases	-	-
Less: Closing stock	-	-
<b>Cost of raw materials consumed</b>	<b>-</b>	<b>-</b>
<b>Note 26 : Purchase of stock in trade</b>		
OGS purchase	-	-
R D Purchase	5,218,514	5,210,285
Packing Material	-	9,750
<b>Total</b>	<b>5,218,514</b>	<b>5,220,035</b>
<b>Note 27 : Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
a Finished goods	40,000	267,650
b Work-in-progress	-	-
c Stock-in-trade	-	-
<b>Sub Total</b>	<b>40,000</b>	<b>267,650</b>
<u>Inventories at the beginning of the year:</u>		
a Finished goods	267,650	-
b Work-in-progress	-	-
c Stock-in-trade	-	-
<b>Sub Total</b>	<b>267,650</b>	<b>-</b>
<b>Net increase / (decrease)</b>	<b>(227,650)</b>	<b>267,650</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

Particulars	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
<b>Note 28 : Employee benefits expense</b>		
1 Salaries and wages :-		
A Salary, Wages and Other Benefits :-		
a Salary	1,189,980	782,305
b Wages	-	-
<b>Sub Total</b>	<b>1,189,980</b>	<b>782,305</b>
B Directors' Remuneration	-	200,000
<b>Sub Total</b>	<b>1,189,980</b>	<b>982,305</b>
2 Contributions to provident and other funds :-		
a ESI Contribution	-	-
b PF Contribution	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
3 Expenses on ESOP and ESPP	-	-
4 Staff Welfare Expenses		
- Bonus Expenses	112,150	91,217
- Other Staff Welfare Expenses	148,489	64,945
<b>Total</b>	<b>1,450,619</b>	<b>1,138,467</b>
<b>Note 29 : Finance costs</b>		
1 Interest Expense	-	-
2 Other borrowing costs :-	-	-
3 Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note 30 : Depreciation</b>		
Depreciation on Tangible Assets	15,078	15,078
<b>Total</b>	<b>15,078</b>	<b>15,078</b>
<b>Note 31 : Other expenses</b>		
I Consumption of stores and spare parts :-	-	-
II Power and fuel :-	-	-
III Rent including lease rentals		
- Godown Rent	170,400	170,400
- Office Rent	180,000	180,000
IV Repairs to buildings	-	-
V Repairs to machinery	-	-
VI Insurance	-	-
VII Rates and taxes , excluding, taxes on income	-	-
a Miscellaneous Expenses (Direct) :-		
1 Inward Freight Expenses	139,228	123,719
2 Job Work (Purchase)	-	180,000
3 VAT Expenses	50,168	46,399
4 Commission Expenses	498,950	250,000
<b>Sub Total</b>	<b>688,346</b>	<b>600,118</b>

# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

Particulars	For the Year Ended 31 March, 2017 Rupees	For the Year Ended 31 March, 2016 Rupees
b Miscellaneous Expenses (Indirect) :-		
1 Auditor's Remuneration	35,000	25,000
2 Advertisement Expenses	35,560	146,667
3 Bank Commission and Charges	1,529	981
4 Legal And Professional Expenses	459,505	983,693
5 Conveyance and Petrol Expenses	111,048	70,505
6 Courier and postage Expenses	86,043	47,992
7 Freight Outward Expenses	144,908	26,800
8 TDS Expenses	-	1,090
9 Internal Audit Fees	78,000	72,000
10 Loading and unloading charges	94,900	-
11 Office Expenses	108,534	88,940
12 Petrol Expenses	233,205	180,701
13 Printing and stationery Expenses	81,243	67,039
14 Repairing and maintenance ( General)	68,190	68,490
15 ROC Filing Expenses	13,356	5,477
16 Compliance Fees in ASE, BSE And VSE	229,000	224,720
17 Telephone Expenses	38,779	16,019
18 Income tax exp	90	-
19 Tea Coffee and Refreshment Expenses	93,113	86,468
20 Traveling Expenses ( Director)	162,115	149,500
21 Web Designing Expenses	20,650	16,500
22 Listing Agreement Fees	-	11,236
<b>Sub Total</b>	<b>2,094,768</b>	<b>2,289,818</b>
<b>Total</b>	<b>3,133,514</b>	<b>3,240,336</b>
<b>Particulars under Other Expenses</b>		
Payments to the auditors comprises :-	-	-
a As auditors :-		
For Current Year	20,000	15,000
For Prior-Period	-	-
	20,000	15,000
b For taxation matters	15,000	10,000
c For company law matters	-	-
d For management services	-	-
e For other services	-	-
f Reimbursement of expenses	-	-
<b>Total</b>	<b>35,000</b>	<b>25,000</b>
<b>Note 32 : Exceptional Items</b>	-	-



# KEMISTAR CORPORATION LIMITED

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

Accounting Year : 2016-2017

ANNEXURE -1

Notes to and forming part of the financial statements ( As per Schedule VI)(Revised)

Particulars	For the Year Ended 31 March, 2017 Rupees	For the Year Ended 31 March, 2016 Rupees
-		
<b><u>Note 33 : Extra-Ordinary Items</u></b>		
- Capital Work In Progress Written Off	-	-
- Club House Furniture And Fixture Written Off	-	-
- Club House / Health Center Written Off	-	-
- Kitchen Equipments Written Off	-	-
- Preliminary Expenses Written Off	-	-
- Pre - Operative Expenses Written off	-	-
- Public Issue Expenses Written off	-	-
- Stock Exchange Fees	-	-
- <b>Total</b>	-	-
<b><u>Note 34 : Prior Period Items</u></b>	-	-
<b><u>Note 35 : Value of Imports calculated on C.I.F. basis</u></b>		
a Raw materials	NIL	NIL
b Components and spare parts	NIL	NIL
c Capital goods	NIL	NIL
	-	-
<b><u>Note 36 : Expenditure in foreign currency</u></b>		
a Royalty	NIL	NIL
b Know-how	NIL	NIL
c Professional and Consultation fees	NIL	NIL
d Interest	NIL	NIL
e Other	NIL	NIL
	-	-
<b><u>Note 37 : Raw materials, Spare parts and Components</u></b>		
a Imported	NIL	NIL
b Indigenous	100 %	100 %
<b><u>Note 38 : Remittances in Foreign Currency</u></b>	NIL	NIL
<b><u>Note 39 : Earnings in Foreign Exchange</u></b>	NIL	NIL

# KEMISTAR CORPORATION LIMITED

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

## CASH FLOW STATEMENT FOR THE YEAR FINANCILA YEAR 2016-17

(Rs.In'000)

SR. NO.	PARTICULARS	As at 31.3.2017	As at 31.3.2016
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
I	Net Profit Before Tax and extra ordinary items	461.10	214.12
II	Adjustments for :-		
1	Depreciation	15.07	15.07
2	Interest and Financial Charges	-	-
3	Miscellaneous Expenditure Written Off	-	-
4	Interest, Guarantee Commission and Dividend Income	-	-
5	Profit on Redemption of Mutual Funds	-	-
6	Provision for Taxation earlier year paid During the year	-	(40.19)
7	Raw Material Consumed Not Purchased	-	-
8	Provision for doubtful debts		
9	Other Provisions	(272.80)	725.84
10	Changes In Inventory	227.65	-
11	Provision For Compliance Fees		
12	Deferred Tax Income (-)	-	-
III	Operating Profit Before Working Capital Changes	431.02	914.84
	Adjustments for :-		
1	Decrease/(Increase) in Trade & Other Receivables :-	(589.92)	(3,042.57)
2	Increase/(Decrease ) in Trade & Other Payables	722.76	278.55
IV	Operating Profit Before Extra Ordinary Items	563.86	(1,849.18)
	Extra Ordinary Item	-	-
	<b>Net Cash from Operating Activities</b>	563.86	(1,849.18)
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
1	Sale/(Purchase) of long term investments	20.00	20.00
2	Purchase of fixed assets (including Capital Work-in Progress)	-	-
3	Loans and Advances made to other parties	-	-
4	Pre-operative expenses	-	-
5	Miscellaneous expenses to the extent not written off	-	-
6	Adjustment for other trade payable (other payable)	-	-
7	Sale of fixed assets(Including Capital Work in Progress)	-	-
8	Interest and Dividend income received	-	-
9	Tax deducted at source on interest & dividend income	-	-
10	Advance to subsidiary company	-	-
11	Sale/(Purchase) of short term investments (net after redemption)	1440.50	694.78
12	Short term deposit with Companies (net)	-	-
13	Bills of exchange placed with Companies (net)	-	-
	<b>Net Cash obtained / (Used) in Investment Activities</b>	1460.50	714.78

**KEMISTAR CORPORATION LIMITED**

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

**CASH FLOW STATEMENT FOR THE YEAR FINANCILA YEAR 2016-17****(Rs.In'000)**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>As at 31.3.2017</b>	<b>As at 31.3.2016</b>
<b>C</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
1	Proceeds from long term borrowings	-	-
2	Proceeds from issue of shares (net of public issue expenses)	-	-
3	Refund of Shares Application Money	-	-
4	Repayment of term loan	-	-
5	Increase in Bank Borrowings (net)	-	-
6	Dividend paid	-	-
7	Other Borrowings	-	(13.28)
	<b>Net Cash From/ (in) Financial Activities</b>	-	(13.28)
<b>D</b>	<b>NET INCREASE / (DCREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	2,024.36	(1,147.68)
<b>E</b>	<b>OPENING CASH AND CASH EQUIVALENTS</b>	69.09	1,216.77
<b>F</b>	<b>CLOSING CASH AND CASH EQUIVALENTS (D+E)</b>	2,093.45	69.09

**Managing Director****Director**

Place :- Ahmedabad

Date :- 30<sup>th</sup> May,2017

**AUDITOR'S CERTIFICATE**

I have examined the above Cash Flow Statement of Kemistar Corporation Limited for the year ended 31<sup>st</sup> March, 2017. The Statement have been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and is agreement with the Profit & Loss Account and the Balance Sheet of the Company covered by my Report of 30<sup>th</sup> May, 2017 of the Members of the Company.

**For, GAURAV N. ZINZUWADIYA  
CHARTERED ACCOUNTANTS**

**Place :- Ahmedabad  
Date :- 30<sup>th</sup> May,2017**

**C.A. Gaurav Zinzuwadiya  
( Proprietor )**

**ACCOUNTING YEAR: 2016-2017****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****PART-I : NOTES TO ACCOUNTING STANDARDS****1.0 SIGNIFICANT ACCOUNTING POLICIES**

## (a). Basis of Accounting :-

The Financial Statements are prepared in accordance with the requirements of the Companies Act , 2013 under the historical cost convention on an accrual basis unless otherwise stated and/or immaterial .

## (b). Revenue Recognition :-

- (i). Revenue is recognized when it is reasonably certain that it will be received .
- (ii). Revenue from redemption of mutual funds has been recognized on realization basis.

## (c). Fixed Assets :-

- Fixed Assets are shown at Cost less Depreciation amount.

## (d). Valuation of Inventories ( AS 2 ) :-

- (i). Inventory is shown as certified by the Management of the Company and is relied upon by the Auditor.
- (ii). Inventory is valued at Cost or Market Value whichever is less .

## (e). Depreciation :-

- (i) Depreciation is calculated on all the assets at the rates and manner specified under the Companies Act, 2013.
- (ii) Further there is no depreciation rates specified under the companies act 2013 instead of the Act mentioned useful life in Schedule II of The Companies Act 2013 and hence accordingly the depreciation has been calculated.

## (f). Retirement Benefits ( AS 15 ) :-

All retirement benefits including Gratuity and Leave encashment will be recognized on cash basis. No actuarial valuations has been made.

## (g). Accounting for taxes on Income (AS 22) :-

- (i). The Company has made provision for income tax for the current accounting year.
- (ii). The Company has made accounting for Deferred tax Assets/ Liabilities as required as per AS 22.

Sr. No.	Particulars	As Per Books	As Per I. T. Act	Difference	Tax 30.90%
1	2	3	4	5=3-4	6
A	Timing Differences :-				
1	Depreciation	15,078	28,088	(13,010)	(4,020)
		15,078	28,088	(13,010)	(4,020)
B	Permanent Differences :-	-	-	-	-

# KEMISTAR CORPORATION LIMITED

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

1	Income Tax Exp	90	-	90	28
C	Deferred Tax Asset (Liability)	15,168	28,088	(12,920)	(3,992)

(h). Contingent Liabilities :-

These are contained under Revised Schedule VI , as presented through Annexure- 1, hereto.

(i). Prior Period Items, and Extra-Ordinary Items :-

These are contained under Revised Schedule VI , as presented through Annexure- 1, hereto.

## 2.0 OTHER NOTES TO ACCOUNTING STANDARD

(a). Related Party Disclosure ( AS 18 ) :-

Related Party disclosure as Certified by the management and relied upon is as follows,

Name of Related Party	Nature of Transaction	Amount(Rs.)
AGR-EH Technologies Pvt. Ltd.	Investment in Shares	17,43,000/-
	Purchase of goods	3,40,988/-
K P International Pvt Ltd.	Purchase of goods	39,900/-
	Sales of goods	2,17,875/-

### PART- II : NOTES AS PER SCHEDULE VI( REVISED)

As per Annexure – 1.

### PART- III : OTHER NOTES

- (a). Section 212(1) of the Companies Act 1956 requires presentation of financial Statements of its Subsidiary Company, if the relationship Holding Company and Subsidiary Company persists as at the end of the accounting year concerned. Since there was no such Subsidiary as at the end of accounting year, i.e. as on 31<sup>st</sup> March 2017; no such presentation has been made.
- (b). Balances of all the parties are subject to confirmations and reconciliations.
- (c). In the opinion of the management, the current assets are approximately of the values stated , if realized in the ordinary course of business unless otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount considered reasonably necessary.
- (d). Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.
- (e). Immaterial items have been ignored on making disclosure.
- (f). wherever external evidences were not available, reliance had been made on internal evidences and / or explanation provided by the management.

### PART- IV : SCHEME OF ARRANGEMENT IN NATURE OF REDUCTION OF CAPITAL

- (a) In Order to make Financial Statement more realistic the company has prepare the scheme to reduction of its capital as follows in the F.Y. 2015-16;

The Company has decided to issue 8 New Equity Share of Rs 10/- each against 100 Old Equity share of Rs. 10/- each of Kemistar Corporation Limited and hence total new equity shares are 6,71,392 and total capital value has been reduced to Rs. 67,13,920/- against old capital value Rs. 8,39,24,000/- leaving behind credit balance of Reserve and Surplus amounting Rs. 94,475/-, which is more realistic as compare to earlier debit balance of Reserve and Surplus 7,71,15,606/-

Further the company has given effect of capital reduction in books of account in accordance with the Accounting Standards.

The Company has taken all the necessary approvals and orders from the Hon'ble Gujarat High Court as well as both Stock exchanges in which the company is listed, i.e. Bombay Stock Exchange and

# KEMISTAR CORPORATION LIMITED

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

Vadodara Stock Exchange. Further the company has fulfilled all the in house necessary procedure in order to restructure of capital such as passing resolution, holding General Meeting etc.

As per information and explanation provided to me the company will continue as going concern and there will not be any adverse effect on its existence. On the other hand the company can work more effectively and realistically. Further the financial statement has been prepared on the basis of going concern basis.

## **PART- V : DISCLOSURE OF HOLDING AS WELL AS DEALING IN SPECIFIED BANK NOTES**

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

<b>Particulars</b>	<b>SBNs (1)</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing Cash on hand as on 8 November 2016	4,64,475/-	44,657/-	5,09,132/-
Add : Permitted Receipts	-	3,00,000/-	3,00,000/-
Less : Permitted Payments	74,475/-	2,10,465/-	2,84,940/-
Less : Amount Deposited in Banks	3,90,000/-	-	3,90,000/-
Closing Cash on hand as on 30 December 2016	-	1,34,192/-	1,34,192/-

(1). For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

**For, GAURAV N. ZINZUWADIYA**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**C.A. Gaurav Ziznuwadiya**  
Proprietor  
M.R.N.150295

**Director**

**Director**

Place : **AHMEDABAD**  
Date : **30<sup>th</sup> May, 2017**

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Date : **30<sup>th</sup> May, 2017**

# KEMISTAR CORPORATION LIMITED

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

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## ATTENDANCE SLIP

23<sup>rd</sup> Annual General Meeting

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

I certify that I am registered Shareholder/ Proxy for the registered shareholder of the Company. I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the shareholders of the company, to be held on Friday, the 1<sup>st</sup> September, 2017 at 11.00 a.m. at the registered office of the company

Member's Name: \_\_\_\_\_

Proxy's Name: \_\_\_\_\_

### **Note:**

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

<b>Electronic Voting Particulars</b>		
EVEN	User Id	Password



# KEMISTAR CORPORATION LIMITED

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## Form No. MGT-11 PROXY FORM

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

Name of the Member(s) :	
Registered Address :	
E-mail ID:	*Folio No./DP ID & Client ID: _____

\*For details with respect to you Folio No./DP ID, Client ID and number of shares, please refer to above Attendance Slip enclosed along with the Annual Report.

I/We, being the member(s) of \_\_\_\_\_ shares of the above name company, hereby appoint

1. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him/her
  
2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him/her
  
3. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him/her

as my/our to attend and vote (on a poll) for me/us on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the company, to be held on Friday, the September 1, 2017 at 11.00 a.m. at the registered office of the company and at my adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
<b>Ordinary/ special Business</b>			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the year ended 31.03.2017		
2.	To appoint and fix remuneration of M/s. Gaurav N. Zinzuwadiya, Chartered Accountants as Auditors of the Company.		
3.	Adoption of new set of Articles of Association		
4.	Amend the title of incidental object clause of the Memorandum of Association		
5.	Deletion of the other Objects Clause of the Memorandum of Association		
6.	Amendment of the Liability Clause of the Memorandum of Association:		
7.	Approval to the proposal to raise funds on preferential allotment basis to persons other than Promoters		

Singed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Revenue Stamp
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**Notes:**

1. A proxy need not be a member of the company. Pursuant to the provisions of the section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as proxy for any other member.
2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. For the resolutions, explanatory statement and notes, please refer to the notice of the 23<sup>rd</sup> Annual General Meeting of the company.
4. This form of proxy, to be effective should be duly completed and deposited at the registered office of the company, not later than 48 hours before the commencement of the aforesaid meeting.

**BOOK POST**

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If undelivered please return to:

KEMISTAR CORPORATION LIMITED  
604, Manas Complex,  
Jodhpur Cross Road,  
Satellite,  
Ahmedabad-380015