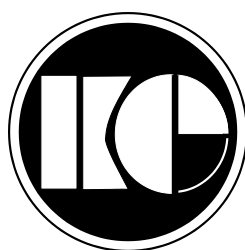


KHANDELWAL EXTRACTIONS LIMITED



37th ANNUAL REPORT
2018-2019

KHANDELWAL EXTRACTIONS LIMITED

BOARD OF DIRECTORS

- K. N. KHANDELWAL - Chairman
- V. N. KHANDELWAL - Whole Time Director (Works)
- DINESH KHANDELWAL - Whole Time Director (Finance) & CFO
- ASHOK GUPTA - Independent Director
- ATUL BAGLA - Independent Director
- ANIL KAMTHAN - Independent Director
- REKHA KEJRIWAL - Independent Director

COMPANY SECRETARY

SURABHI PASARI

CIN : L24241UP1981PLC005282

REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR – 208 001

Website : www.khandelwalextractions.com

Email : kelknp@yahoo.com

WORKS :

AKRAMPUR – MAGARWARA
DISTT. UNNAO (UTTAR PRADESH)

AUDITORS :

M/S. GUPTA VAISH & CO., KANPUR

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KHANDELWAL EXTRACTIONS LIMITED

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of Khandelwal Extractions Ltd. will be held at 50 MIG Bungalow, W Block, Keshav Nagar Kanpur- 208014 on **Saturday, the 28th September, 2019** at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and Report of the Board of Directors and Auditors' thereon.
2. To ratify the payment of dividend on 5000 Cumulative Redeemable Preference Shares of Series II & 5000 Cumulative Redeemable Preference Shares of Series III @ 12% for the period 01.04.2018 to 24.03.2019 out of surplus in Profit & Loss A/c.
3. To appoint a Director in place of Shri Dinesh Khandelwal (DIN: 00161831), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

As Special Resolution:

4. **Re-appointment of Shri Dinesh Khandelwal as Whole-time Director (Finance) & CFO**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 of The Companies Act, 2013 and any other applicable provisions, if any and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh Khandelwal (DIN: 00161831) designated as Whole-time Director (Finance) & CFO, not liable to retire by rotation except for compliance of Section 152 (6) of the Companies Act, 2013, for three (3) years with effect from 01.04.2020, on the terms and conditions as recommended by Nomination and Remuneration Committee and as contained in the Explanatory Statement attached to the notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and /or Company secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Re-appointment of Shri Ashok Gupta as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Ashok Gupta (DIN: 00135288), aged 66 years, who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. up to conclusion of Annual General Meeting in the calendar year 2024."

6. **Re-appointment of Shri Atul Bagla as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Atul Bagla (DIN: 00159563), aged 53 years, who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. up to

conclusion of Annual General Meeting in the calendar year 2024."

7. **Re-appointment of Shri Anil Kamthan as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Anil Kamthan (DIN: 00159819), aged 66 years, who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. up to conclusion of Annual General Meeting in the calendar year 2024."

8. **Re-appointment of Mrs. Rekha Kejriwal as an Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Rekha Kejriwal (DIN: 06889864), aged 44 years, who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. up to conclusion of Annual General Meeting in the calendar year 2024."

By order of the Board of Directors

(SURABHI PASARI)

COMPANY SECRETARY

Regd. Office:

51/47, Nayaganj, Kanpur – 208 001

Dated: 10th August, 2019

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of 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 instrument of proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies must be supported by an appropriate resolution/authority as applicable.
- b) The Register of the members and Share Transfer books of the Company will remain closed from **21st September, 2019 to 28th September, 2019** (both days inclusive).
- c) Brief resume of the Directors proposed to be re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as **Annexure to this Notice.**
- d) The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of the above

KHANDELWAL EXTRACTIONS LIMITED

Depositories. The Company's ISIN No. is INE687W01010. In view of applicability of Securities and Exchange Board of India ("SEBI") notification dated 08th June, 2018, which has mandated that the requests for transfer of securities shall take place only in dematerialized form w.e.f 01st April, 2019, members are requested to dematerialize their securities with NSDL/CDSL in order to avoid any hassle while transferring the securities in future.

- e) Members are requested to lodge Share Transfer documents and all other correspondences and queries relating to Share Transfer, Share Certificates, Change of Address etc., to the Company's Registrar and Transfer Agent ("RTA") i.e. M/s Alankit Assignments Limited having its office at 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi- 110055
- f) Member's cooperation is solicited to furnish their latest address, e mail address, contact details and PAN No. to their Depository participants in respect of electronic holdings and to the Company's RTA in respect of physical holdings. **For any assistance, the member(s) may contact Mr. Dinesh Khandelwal – Director (Finance) & CFO on mobile no. 9415330630 or 8081252221 or e-mail at kelknp@yahoo.com**
- g) In terms of Section 108 of the Companies Act 2013 read with relevant applicable rules and pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made arrangement of e-voting through CDSL. Members have option to cast their vote by using electronic voting system from a place other than the venue of the meeting (remote e-voting). Members who wish to cast the vote at AGM shall be provided a Ballot to cast their vote. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast/change their vote again in the meeting.
- h) The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date i.e 21st September, 2019**. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended from time to time.
- i) The Company has appointed M/s. Banthia & Co. (Prop. Mr. G.K. Banthia) of Kanpur, Practicing Company Secretaries (C.P. No. 1405) as the Scrutinizer for conducting the e-voting and polling process in fair and transparent manner who have consented to be available for the same.
- j) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.khandelwalextractions.com and on the website of CDSL www.evotingindia.com. The results will simultaneously be communicated to the Stock Exchange(s).
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, **i.e 28th September, 2019**.
- l) All documents referred to in the accompanying notice are open for inspection at the Registered Office of Company between 2:00 P.M. to 4:00 P.M. on all working days except Saturday up to the date of Annual General Meeting.
- m) A Route Map showing directions to reach the venue of AGM is attached at the end of this Annual Report as per the requirement of the Secretarial Standard -2 on General Meetings.
- n) A copy of this notice has been placed on the website of the Company www.khandelwalextractions.com and on the website of CDSL www.evotingindia.com.
- Instructions for the voting through electronic means**
- (i) The voting period begins on **25th September, 2019 (10:00 am) and ends on 27th September, 2019 (5:00 p.m)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 21st September, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now enter your User ID:
- For NSDL: 8 Character DPID followed by 8 Digits Client ID
 - For CDSL: 16 digits Beneficiary ID
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company are requested to enter 10 digits sequence number printed on address label pasted on cover page of Annual Report
DOB OR Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY) as recorded in your demat account or with the Company in order to login.
OR	If both the details are not recorded with the Depository or Company please enter the number of shares held by you as on 21st September, 2019 (e voting cut off date) in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Khandelwal Extractions Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User Id and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) Any person, who acquires shares of the Company and become the members after dispatch of the Notice and hold shares as on the cut off date i.e **21st September, 2019** may follow the same instructions as mentioned above for E-voting.
- (xxi) In case if you have any queries or issues regarding e-voting, you may refer the Frequently Asked questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

KHANDELWAL EXTRACTIONS LIMITED

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

Item No. 4

Mr. Dinesh Khandelwal, who has been associated with the Company's activities since inception, has been holding office in the capacity of Whole-Time Director (Finance) & CFO in terms of approval accorded by members of the Company in the 34th Annual General Meeting held on 24th September, 2016 for a period of 3 years w.e.f. 01.04.2017. His present tenure would expire on 31.03.2020. The Board of Directors on the basis of recommendation of Nomination and Remuneration Committee has re-appointed him as Whole-Time Director (Finance) & CFO for another period of three (3) years w.e.f 01.04.2020 on the remuneration package which is within the maximum permissible limit under Schedule V of the Companies Act, 2013. Fresh approval of the members by way of Special Resolution is being sought for the same.

The followings are the terms and conditions as regards to salary and perquisites payable to him:

- i) Salary: Rs.30000/- per month (reduced from existing 52500/- p.m.)

Category –A:

a) Provident Fund: Company's contribution to Provident Fund will not be included in the computation of the ceiling on perquisite to the extent these, either singly or put together are not taxable under the Income Tax Act.

Category – B:

Provision of Car and cell phone for use on Company's business will not be considered as perquisites. Use of car for private purpose shall be billed by the Company.

He shall not be entitled for any sitting fees for meeting of the Board or of any committee thereof attended by him. In the event of loss or inadequacy of profits in any financial year(s), the aforesaid remuneration shall be paid as minimum remuneration in accordance with the provisions of Companies Act, 2013. The Board of Directors may revise upwards, the remuneration from time to time, within the maximum permissible limit under Schedule V of the Companies Act, 2013, but not exceeding Rs. 60000/- p.m. excluding perquisites.

So far the Company was engaged in Solvent Extraction Industry but it has closed its manufacturing operations during the year and is exploring new avenues. The re-appointment of Mr. Dinesh Khandelwal is required to comply with the statutory requirements as well as he shall be helpful to explore new activities. Remuneration has been kept very low in order to minimise the expenses during present financial constraints.

No Director and Key Management Personnel, except Mr. K N Khandelwal, Mr. Dinesh Khandelwal, and Mr. Vishwa Nath Khandelwal being relative to each other, are concerned and interested in the resolution.

Item No. 5, 6, 7 & 8

Shri Ashok Gupta, Shri Atul Bagla, Shri Anil Kamthan & Mrs. Rekha Kejriwal were appointed as Independent Directors of the Company by the members at the 32nd AGM of the Company held on 27th September, 2014 for a period of five consecutive years up to the conclusion of AGM in the calendar year 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company,

but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Based on the performance evaluation report and as per the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions and the Rules made thereunder of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the above named directors, being eligible for re-appointment as Independent Directors and offering themselves for re-appointment, are proposed to be re-appointed as Independent Directors for second term of five consecutive years on the Board of the Company i.e. up to conclusion of Annual General Meeting in the calendar year 2024.

The Company has received declarations from them stating that they are not disqualified in terms of Section 164 and they meet the criteria of Independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013. They have also given their consent to continue to act as Independent Directors of the Company, if so appointed by the members.

The Company has received a notice in writing, for each of the directors separately, from member(s) under Section 160(1) of the Companies Act, 2013 proposing the candidature of above directors for the office of Independent Director of the Company. Copy of which is available on the website of the Company.

In the opinion of the Board, the above directors fulfils the conditions specified under Section 149(6) of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 for their reappointment as an Independent Director of the Company and they are independent of the management. Copy of the draft letter of appointment of above directors as Independent Directors setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 6:00 pm) on any working day, upto and including the date of AGM of the Company.

The Board considers that being familiar to companies affairs, their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ashok Gupta, Shri Atul Bagla, Shri Anil Kamthan & Mrs. Rekha Kejriwal as Independent Directors. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of above directors as Independent Directors for another term of five consecutive years with effect from this Annual General Meeting up to the conclusion of Annual General Meeting to be held in calendar year 2024, for the approval by the shareholders of the Company.

Except Shri Ashok Gupta, Shri Atul Bagla, Shri Anil Kamthan & Mrs. Rekha Kejriwal and their relatives being appointees individually for their concerned resolution, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 to 8 of the accompanying Notice of the AGM.

KHANDELWAL EXTRACTIONS LIMITED

ANNEXURE TO AGM NOTICE

Brief particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standards on General Meetings (SS-2):

Particulars	Dinesh Khandelwal	Ashok Gupta	Atul Bagla	Anil Kamthian	Rekha Kejriwal
DIN	00161831	00135288	00159583	00159819	06889864
Designation	Whole-time Director (Finance) & CFO	Independent Director	Independent Director	Independent Director	Independent Director
Date of Birth	01/06/1953	06/06/1953	12/04/1966	23/07/1953	12/02/1975
Qualification	Commerce Graduate	Chartered Accountant	Chartered Accountant	Post Graduate & Degree in Law (Specialization in Company Law)	Company Secretary
Date of first appointment on the Board	24/04/1981	30/06/2004	30/06/2004	31/01/2009	29/07/2014
Brief resume /Expertise in specific functional areas of Director	One of the promoter Directors, A associated with the Company since inception , Experience of over 35 years in Company's finances, banking and commercial functions, Devotes full time attention in the Company's affairs.	Over 30 years of experience in Finance, Accounts, Taxation and related matters.	Vast experience in field of Finance.	Vast experience in field of Company law matters, Secretarial Practices and accounts.	Over 16 years of experience in field of Company law matters, Finance and Accounts.
Directorship/Membership/Chairmanship held in Committees of Board of other companies	Nil	Jaykay Enterprises Ltd. J.K. Cotton Ltd.	Pioneer Projects Ltd. Jay Kay Cem (Eastern) Ltd. Ujala Merchants and Traders Ltd. Nebula3D Services Pvt. Ltd.	Nil	Nil
Shareholding in the Company	42000 equity shares	100 equity shares	100 equity shares	100 equity shares	NIL
Relationship with other directors inter-se	Brother of Mr. Kailash Nath Khandelwal and Mr. Vishwa Nath Khandelwal	Nil	Nil	Nil	Nil
No. of Board meetings attended in the year 2018 -19	4	4	4	4	4
Remuneration last drawn (FY 2018-19)	Details given in Form MGT-9	Details given in Form MGT-9	Details given in Form MGT-9	Details given in Form MGT-9	Details given in Form MGT-9

KHANDELWAL EXTRACTIONS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's 37th Annual Report and Audited Financial Statements for the financial year ended March 31st, 2019.

1. FINANCIAL RESULTS

	(Rs. in Lakhs)
Sales and other Income	561.37
Loss before Interest and Depreciation	(21.74)
Less: Interest	23.30
Depreciation	5.14
Tax Expenses (including Deferred Tax)	(14.81)
Loss after tax	(35.37)

2. HIGHLIGHTS OF PERFORMANCE

During the year, the Company's working resulted in loss before interest and depreciation of Rs 21.74 lakhs on a turnover of Rs. 561.37 lakhs. As reported last year, the Company's solvent extraction operations were found unviable, hence the management decided to close the operations. It subsequently disposed off all inventories and all the workers have been paid to their full satisfaction. The Company is now left with necessary unavoidable staff. To minimize the expenses it has also surrendered the power and factory license to the respective authorities. All bank dues have been paid. Except unsecured loans and current liabilities, it has paid off all major liabilities. The Company's assessment under Income Tax Act, 1961 is completed upto A.Y. 2017-18 and there was no outstanding demand.

These developments left the Company's management to explore possibilities of sale/lease of the plant/undertaking for which shareholders' approval was obtained in the last Annual General Meeting. Since, then management has been exploring the possibilities for the same, but so far no concrete proposal has been received/finalized.

Indian Accounting Standards (Ind-AS)–IFRS Converged Standards.

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015 and the Annual Accounts of 2018-19, has been drawn in terms of provisions of the Ind-AS.

3. TRANSFER TO RESERVES

In view of losses incurred by the Company for the F.Y. 2018-19, no amount has been transferred to General Reserve.

4. DIVIDEND

In view of losses during F.Y. 2018-19, the Board of Directors have not recommended dividend on Equity shares. However, during the year an interim dividend of Rs. 141892/- (including Rs. 24192/- as dividend distribution tax) was paid on 5000, 12% Cumulative Redeemable preference shares of (Series II) and 5000, 12% Cumulative Redeemable preference shares of (Series III) of Rs. 100/- each for the period 01.04.2018-24.03.2019 along with premature redemption.

5. SHARE CAPITAL

The Company's Authorized Capital remains unchanged at Rs. 200 Lakhs. The Paid up Equity Share Capital of the Company as on the date of Balance Sheet stands unchanged at Rs. 85,01,000/- (comprising of 8,50,100 Equity shares of Rs. 10/- each). With a view to reduce burden, the Company during the year has redeemed Preference Share Capital amounting to Rs. 10,00,000 (comprising of 5000 Cumulative Redeemable Preference Shares of Series II and 5000 Cumulative Redeemable Preference Shares of Series III @ 12% of Rs. 100/- each), hence the Paid up Preference Share Capital of the Company stand reduced to Nil.

6. FIXED DEPOSITS

Your Company has not invited any deposits during the financial year under review.

7. SUBSIDIARIES

Your Company does not have any subsidiary within the meaning of the Companies Act, 2013. During the financial year ended 31st March, 2019, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. In accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Dinesh Khandelwal (DIN: 00161831), Whole-time Director (Finance) & CFO, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment to the Board.

The tenure of Mr. Dinesh Khandelwal designated as Whole-time Director (Finance) & CFO, who was appointed for three (3) years w.e.f 1st April, 2017 will expire on 31st March 2020. The Board on the recommendation of Nomination and Remuneration Committee has reappointed him as Whole-time Director (Finance) & CFO for three (3) years period from 01.04.2020 on the remuneration detailed in the notice of AGM, subject to approval by members in the general meeting. Your Directors recommend the resolutions for re-appointment of Mr. Dinesh Khandelwal for your approval.

Pursuant to the provisions of the Companies Act, 2013 ("the Act") CA Ashok Gupta (DIN 00135288), CA Atul Bagla (DIN: 00159563), CS Anil Kamthan (DIN: 00159819) and CS Rekha Kejriwal (DIN: 06889864), were appointed as Independent Non-Executive Directors to hold office for five consecutive years for a term up to conclusion of AGM in the calendar year 2019 by the Members of the Company in the 32nd Annual General Meeting held on 27th September, 2014. They being eligible for reappointment as Independent Directors for another term of five consecutive years and based on the recommendation of the

Nomination and Remuneration Committee, the Board recommends for the approval of the Members through Special Resolution at the ensuing Annual General Meeting reappointment of Mr. Ashok Gupta, Mr. Atul Bagla, Mr. Anil Kamthan and Mrs. Rekha Kejriwal as Independent Directors for another term of five consecutive years up to the conclusion of AGM in the calendar year 2024.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

Profile and other information of the aforesaid Directors, forms part of the notice convening the ensuing Annual General Meeting.

b. Mr. Dinesh Khandelwal, Whole-time Director (Finance) & CFO; Mr. Vishwa Nath Khandelwal (DIN: 00161893), Whole-time Director (Works) and Ms. Surabhi Pasari, Company Secretary and Compliance Officer are the Key Managerial Personnel of your Company.

9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013; the Nomination and Remuneration Committee formulated the criteria for evaluation of the performance of the Board of Directors, its various Committees constituted as per the provisions of the Companies Act, 2013 and individual directors. Based on that, the Board of Directors carried out an annual evaluation of its own performance and of its various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Committee of Directors and expressed their satisfaction with its performance and performance of its Committees. The Board of Directors also evaluated the performance of individual Director on the basis of self-appraisal and expressed their satisfactory performance. The Board of Directors also carried out an annual performance evaluation of its Independent Directors and expressed their satisfaction with their functioning / performance.

In terms of Schedule IV to the Companies Act, 2013, the Independent Directors also convened a separate meeting for this purpose and evaluated the performance of Chairman and Non Independent Directors.

10. REMUNERATION POLICY

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy covers the criteria for selection and appointment of Board Members and senior management and their remuneration. The Company's Remuneration Policy is based on the principles of (i) Pay for Responsibility and Duties, (ii) Pay for Potential and (iii) Pay for growth of the Company.

The Nomination and Remuneration Committee is vested with powers to determine yearly increments/salary increase of Executive Directors/ KMPs and one level below based on their performance and contribution towards profitability and sustainability of Company. Non Executive Directors are paid only sitting fee which is decided by Nomination & Remuneration Committee.

11. RISK MANAGEMENT POLICY

The production and operations of Company's Solvent Extraction Plant has been closed. Now, the management is exploring possibilities of sale/lease of Company's undertaking which will be the only source of income of the Company in future. The new business involves risks of different nature. The new policy shall be framed as and when desired.

12. INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal control relating to purchase/sales of stores, raw materials including components plant & machinery, equipment and other similar assets and for the sale of goods commensurate with the size of the Company and nature of its business. The Company has also Internal Control System for speedy compilation of Accounts and Management Information Reports and to comply with applicable laws and regulations. The Company has a well defined organizational structure, authority levels and internal rules and regulations for conducting business transactions suitable to the size of the business.

The Company has already formed an Audit Committee which met four times in a year. Audit Committee also ensures proper compliance with the provisions of The Companies Act, 2013 and also reviews the adequacy and effectiveness of the internal control environment and monitors implementation of internal audit recommendations. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures and in reviewing your Company's risk management policies.

13. INTERNAL FINANCE CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of policies and procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

14. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances detrimental to the interest of the Company. The Whistle Blower Policy has been posted on the website of the Company.

15. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated

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persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 was not required. Details of transactions made are disclosed in financial statements. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval was obtained for the transactions which are foreseen and repetitive in nature.

16. STATUTORY AUDITORS AND THEIR REPORT
Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under M/s. Gupta Vaish & Co., Kanpur, Chartered Accountants, (ICAI Registration No 005087C), were appointed as Statutory Auditors of the Company at the Thirty Fifth (35th) Annual General Meeting to hold office for a term of 5 years from the conclusion of 35th Annual General Meeting till the conclusion of Fortieth (40th) Annual General Meeting subject to ratification of appointment by shareholders at each intervening Annual General Meeting.

M/s. Gupta Vaish & Co have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force.

In accordance with Notification dated 7th May, 2018 of Ministry of Corporate Affairs, the ratification of appointment of Statutory Auditors at every AGM is not required. Accordingly, the ratification of appointment of statutory auditors does not form part of the Notice convening ensuing Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditor's Report for the financial year ended 31st March, 2019 which requires any clarification or explanation. However, Auditors have drawn attention of shareholders on Company's ability as a going concern. The matter is adequately covered in para 2 above, read along with notes on accounts.

17. SECRETARIAL AUDIT REPORT
Pursuant to the provisions of Section 204 of The Companies Act, 2013 and the Rules made there under, M/s. Bantia & Co, Practicing Company Secretary (CP No. 1405), Kanpur, were appointed to conduct the Secretarial Audit of the Company for the year ended 31st March, 2019. The Practicing Company Secretary has submitted his Report on the secretarial audit which is annexed as **Annexure I** to this Directors' Report. The Secretarial Audit Report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134 (3) (f) of the Companies Act, 2013.

18. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS
Pursuant to the provisions of Section 143 (12) of the Companies Act, 2013, no instance of fraud has been reported by the auditors against the Company.

19. DIRECTORS' RESPONSIBILITY STATEMENT
Pursuant to Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- b) they have 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 loss of the Company for the same period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate and are operating effectively.

20. MATERIAL CHANGES AND COMMITMENTS
There are no material changes or commitments made by the Company affecting the financial position of the Company between the end of financial year and date of the Report.

21. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL
No significant and material orders have been passed by any Regulator or Court or Tribunal impacting the going concern status and Company's operations in future.

22. CHANGE IN THE NATURE OF BUSINESS
The Company has closed its present operations of manufacturing of rice bran oil/de-oiled rice bran. It is exploring possibilities to new business which is yet to take place.

23. STATUTORY DISCLOSURES:

- i. **CORPORATE GOVERNANCE**
The Company is exempted from compliance of Corporate Governance provisions as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- ii. **ANNUAL RETURN**
An extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 is appended as **Annexure II**. The copy of the same is placed on the website of the Company and can be accessed at <http://www.khandelwalextractions.com/announcements.html>
- iii. **MEETINGS OF THE BOARD AND COMMITTEE HELD DURING THE YEAR**
 - a. The Board of Directors met four times during the year on 26.05.2018, 11.08.2018, 10.11.2018 and 09.02.2019. All the Directors except Mr. K.N.

- b. Khandelwal (absent on 11.08.2018) were present in all the meetings.
- The Audit Committee formed under Section 177 of Companies Act 2013, consisting of Mr. Ashok Gupta, Chairman; Mr. Atul Bagla and Mr. K.N. Khandelwal met four times during the year on 26.05.2018, 11.08.2018, 10.11.2018 and 09.02.2019. All the members except Mr. K.N. Khandelwal (absent on 11.08.2018) were present in all the meetings.
- c. During the year, Nomination and Remuneration Committee consisting of Mr. Ashok Gupta, Chairman; Mr. Atul Bagla, Mr. Anil Kamthan and Mr. K.N. Khandelwal met one time during the year on 26.05.2018. All the members were present in the meeting.
- d. The Stake Holders Relationship Committee consisting of Mr. Anil Kamthan, Chairman; Mr. K.N. Khandelwal and Mr. Dinesh Khandelwal met once on 25.03.2019 to take note of investor complaints/grievances. All the members were present in the meeting.
- e. Independent Directors held a meeting on 25.03.2019 to assess /evaluate the performance of Chairman and Non Independent Directors and concluded their satisfaction on their performances.
- iv. **CORPORATE SOCIAL RESPONSIBILITY**
Corporate Social Responsibility is not applicable to the Company.
- v. **DISCLOSURE UNDER SECTION 186: LOANS AND INVESTMENTS**
Loans and investments were made for deployment of surplus funds which are within the limits as prescribed u/s 186 of the Companies Act, 2013. Details are given in financial statements annexed in the Annual Report for F.Y.2018-19.
- vi. **CONSERVATION OF ENERGY**
Information required in "Form A" is not being given as our unit does not fall under specified industry mentioned in the relevant schedule.
- vii. **TECHNOLOGY ABSORPTION**
The Company's plant has been designed on the continuous process technology of M/s. Extractions Technik, GmbH, Germany. No expenditure has been incurred in in-house research and development.
- viii. **IMPORTS / EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO**
There was no import/export and no foreign exchange earnings and outgo incurred during the year under review.
- ix. **REMUNERATION PAID TO EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNAL**
Details of remuneration paid to Directors, KMPs are given in Form No. MGT-9. Further, details as required under Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with section 197(12) of the Act, is given in **Annexure III**. Executive directors have been paid minimum remuneration as approved by the Shareholders. Non-executive Directors have been paid only sitting fees. There was no employee getting salary in excess of the limit as specified under Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with section 197(12) of the Act, throughout or part of the year under review.
- x. **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**
No complaint has been received under the aforesaid Act during the year under reference.
- 24. ENVIRONMENT AND SAFETY**
The Company being conscious of the importance of making the environment clean and safe has taken all necessary steps for making the environment clean and all approvals under Pollution Control Act/Factories Act/Explosive Licenses/Fire and Safety Rules/other licenses when and where necessary are in place till the period the plant operations continue during the year.
- 25. LISTING OF EQUITY SHARES**
The Equity shares continue to be listed with BSE Ltd. The Company has paid the Annual Listing fee for the year 2018-19 to the said stock exchange.
- 26. DEMATERIALISATION OF SHARES/APPOINTMENT OF RTA**
The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of the above Depository. The Company's ISIN No. is INE687W01010.
The Company has appointed M/s Alankit Assignments Limited, New Delhi as its Registrar and Share Transfer Agent (RTA) for providing services in respect of transfer and dematerialization of securities of the Company with NSDL/CDSL.
- 27. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARD**
The Company has complied with the applicable Secretarial Standards, SS-1 on Meetings of the Board of Directors and SS-2 on General Meetings issued by the Institute of Company Secretaries of India.
- 28. ACKNOWLEDGMENT**
Your Directors thank Customers, Vendors, Employees and all the Stakeholders for their continued support to your Company.

FOR AND ON BEHALF OF THE BOARD

K N KHANDELWAL
(CHAIRMAN)

Place: Kanpur
Date: 10.08.2019

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Annexure - I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,
The Members,
Khandelwal Extractions Ltd.
51/47, Naya Ganj
Kanpur 208001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Khandelwal Extractions Ltd. (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 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the Audit Period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not applicable during the Audit Period).
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the Audit Period).
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit Period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the Audit Period)
- (6) I further report that reliance has been placed on the management representation by Company during for compliances and systems and mechanisms formed by the Company on compliance with other laws; there is no specific Law 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 Agreement (LODR) entered into by the Company with the Bombay Stock Exchange Limited. Shares of the Company are listed at Bombay Stock Exchange Limited. For transfer of shares to suspense account as per clause 39 of LODR Regulations, letters have been issued to the concerned shareholders for claiming the shares and the matter for transfer of said shares in compliance of the aforesaid regulation is in process.

(UP Stock Exchange ceased to be a recognized Stock Exchange in June 2015. Listing Agreement with said Exchange also ceased).

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

I have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for

compliances under other applicable Acts, Laws, and Regulations to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

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, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. except the following:

The Company closed its plant and manufacturing operations during the year; Obtained members consent for sale, lease or otherwise dispose off the whole or substantially the whole of undertaking of the Company in Annual General Meeting of September 2018;

Steps to find suitable buyer in process.

Signature

Banthia And Company

G. K. Banthia (Prop.)
ACS No.:4933; C P No.:1405

Place :Kanpur
Date :May 29,2019

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
Khandelwal Extractions Ltd.
51/47, Naya Ganj
Kanpur 208001.

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

1. It is the responsibility of the management of the company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all the applicable laws and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of finance records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Banthia And Company

(G.K.Banthia Prop.)
Practising Company Secretary
Membership ACS 4933;
C.P.No.1405

Place: Kanpur
Date : May 29, 2019

KHANDELWAL EXTRACTIONS LIMITED

Annexure - II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:	
1	CIN L24241UP1981PLC005282
2	Registration Date 24.04.1981
3	Name of the Company M/s KHANDELWAL EXTRACTIONS LIMITED
4	Category/Sub-category of the Company
5	Address of the Registered office & contact details 51/47, NAYAGANJ, KANPUR-208001
6	Whether listed company LISTED (BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any. ALANKIT ASSIGNMENTS LIMITED, 1E/13, ALANKIT HEIGHTS, JHANDEWALAN EXTENSION, NEW DELHI-110055 PH:011-42541234/23541234

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)-SOLVENT EXTRACTIONS PLANT			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE BRAN OIL		33.07
2	DEOILED RICE BRAN		66.93
			100.00

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	251,100	74,900	326,000	38.35%	326,000	1,600	327,600	38.54%	0.19%
b) Central Govt			-	-			-	-	-
c) State Govt(s)			-	-			-	-	-
d) Bodies Corp.			-	-			-	-	-
e) Banks / FI			-	-			-	-	-
f) Any other			-	-			-	-	-
Sub Total (A) (1)	251,100	74,900	326,000	38.35%	326,000	1,600	327,600	38.54%	0.19%
(2) Foreign									
a) NRI Individuals			-	-			-	-	-
b) Other Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Any other			-	-			-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	251,100	74,900	326,000	38.35%	326,000	1,600	327,600	38.54%	0.19%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	-			-	-	-
b) Banks / FI			-	-			-	-	-
c) Central Govt			-	-			-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies			-	-			-	-	-
g) FIs			-	-			-	-	-
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (specify)			-	-			-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

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2. Non-Institutions										
a) Bodies Corp.										
i) Indian	-	6,600	6,600	0.78%	-	5,600	5,600	0.66%		-0.12%
ii) Overseas			-	-			-	-		-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2,500	331,100	333,600	39.24%	25300	308,200	333,500	39.23%		-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		-	-	0.00%		-	-	0.00%		0.00%
c) Others (specify)										
Non Resident Indians	500	183,400	183,900	21.63%	-	183,400	183,400	21.57%		-0.06%
Overseas Corporate Bodies			-	-			-	-		-
Foreign Nationals			-	-			-	-		-
Clearing Members			-	-			-	-		-
Trusts			-	-			-	-		-
Foreign Bodies - D R			-	-			-	-		-
Sub-total (B)(2)-	3,000	521,100	524,100	61.65%	25,300	497,200	522,500	61.46%		-0.19%
Total Public (B)	3,000	521,100	524,100	61.65%	25,300	497,200	522,500	61.46%		-0.19%
C. Shares held by Custodian for GDRs & ADRs										
			-	-				-		-
Grand Total (A+B+C)	254,100	596,000	850,100	100.00%	351,300	498,800	850,100	100.00%		0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anil Khandelwal	33300	3.92%	NIL	33300	3.92%	NIL	-
2	Abodh Khandelwal	4500	0.53%	NIL	4500	0.53%	NIL	-
3	Anjana Khandelwal	14950	1.76%	NIL	14950	1.76%	NIL	-
4	Dinesh Khandelwal	42000	4.94%	NIL	42000	4.94%	NIL	-
5	Eti Khandelwal	12800	1.51%	NIL	12800	1.51%	NIL	-
6	Kailash Nath Khandelwal	35000	4.12%	NIL	35000	4.12%	NIL	-
7	Kiran Khandelwal	10000	1.18%	NIL	10000	1.18%	NIL	-
8	Krishna Khandelwal	1400	0.16%	NIL	1400	0.16%	NIL	-
9	Radha Rani Khandelwal	22300	2.62%	NIL	22300	2.62%	NIL	-
10	Rajni Khandelwal	9200	1.08%	NIL	9200	1.08%	NIL	-
11	Ruchi Gupta	5250	0.62%	NIL	5250	0.62%	NIL	-
12	Rohit Khandelwal	19600	2.31%	NIL	19600	2.31%	NIL	-
13	Sudhir Kumar Khandelwal	23250	2.73%	NIL	23250	2.73%	NIL	-
14	Shruti Khandelwal	12700	1.49%	NIL	12700	1.49%	NIL	-
15	Vishwa Nath Khandelwal	29650	3.49%	NIL	29650	3.49%	NIL	-
16	Vinita Khandelwal	5500	0.65%	NIL	5500	0.65%	NIL	-
17	Vijay Kumar Khandelwal	1100	0.13%	NIL	1100	0.13%	NIL	-
18	Abhishek Khandelwal	13150	1.55%	NIL	13150	1.55%	NIL	-
19	Yash Khandelwal	30350	3.57%	NIL	30350	3.57%	NIL	-
20	Anil Khandelwal (HUF)	-	0.00%	NIL	1600	0.19%	NIL	0.19%
	TOTAL	326000	38.35%		327600	38.54%		0.19%

KHANDELWAL EXTRACTIONS LIMITED

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

SN	Particulars	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
			No. of shares	% of total shares	No. of shares	% of total shares	
	At the beginning of the year						
	Anil Khandelwal (HUF)		-	0.00%	1,600	0.19%	0.19%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SHIVAN KHANDELWAL			13000	1.53%	13000	1.53%
2	JAI KUMAR BHAGWANDAS			12500	1.47%	12500	1.47%
3	JAI KUMAR BHAGWANDAS			9000	1.06%	9000	1.06%
4	BHAGWANDAS HARIDAS			8500	1.00%	8500	1.00%
5	KISHORE KUMAR SUNDERDAS			7500	0.88%	7500	0.88%
6	AJIT KHANDELWAL			7500	0.88%	7500	0.88%
7	VINOD KUMAR BHAGWANDAS			5500	0.65%	5500	0.65%
8	BHAGWANDAS HARIDAS			5000	0.59%	5000	0.59%
9	VINOD KUMAR BHAGWANDAS			4500	0.53%	4500	0.53%
10	H. SRINIVASA KAMATH			4300	0.51%	4300	0.51%
				77300	9.09%	77300	9.09%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. K.N. Khandelwal			35000	4.12%	35000	4.12%
2	Mr. V.N. khandelwal			29650	3.49%	29650	3.49%
3	Mr. Dinesh Khandelwal			42000	4.94%	42000	4.94%
4	Mr. Ashok Gupta			100	0.01%	100	0.01%
5	Mr. Atul Bagla			100	0.01%	100	0.01%
6	Mr. Anil Kamthan			100	0.01%	100	0.01%
7	Mrs. Rekha Kejriwal			-	-	-	-
8	Ms. Surabhi Pasari			-	-	-	-

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	284.39	160.00	-	444.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	284.39	160.00	-	444.39
Change in Indebtedness during the financial year				
* Addition	-	30.00	-	30.00
* Reduction	284.39	70.00	-	354.39
Net Change	(284.39)	(40.00)	-	(324.39)
Indebtedness at the end of the financial year				
i) Principal Amount	-	120.00	-	120.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	120.00	-	120.00

KHANDLWAL EXTRACTIONS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
		Name	Designation	
		V.N.KHANDLWAL	DINESH KHANDLWAL	
		WHOLE TIME DIRECTOR	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	630,000	630,000	1,260,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (Excluding Gratuity & Medical reimbursement)	75,600	75,600	151,200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL		-
2	Stock Option	NIL		-
3	Sweat Equity	NIL		-
4	Commission			-
	- as % of profit	NIL		-
	- others, specify	NIL		-
5	Others, please specify	NIL		-
	Total (A)	705,600	705,600	1,411,200
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		Ashok Gupta	Atul Bagla	Anil Kamthan	Rekha Kejriwal	
1	Independent Directors					
	Fee for attending board /committee meetings	9,000	9,000	6,000	4,000	28,000
	Commission					-
	Others, please specify					-
	Total (1)	9,000	9,000	6,000	4,000	28,000
2	Other Non-Executive Directors					
	Fee for attending board /committee meetings	10,000				10,000
	Commission					-
	Others, please specify					-
	Total (2)	10,000	-	-	-	10,000
	Total (B)=(1+2)	19,000	9,000	6,000	4,000	38,000
	Total Managerial Remuneration					1,449,200
	Overall Ceiling as per the Act	Minimum Remuneration as per approval of members				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs)
		Name	Designation	
		Surabhi Pasari	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	216,000		216,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total	216,000		216,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties/punishment imposed during the financial year 2018-19

KHANDELWAL EXTRACTIONS LIMITED

ANNEXURE III

Disclosure in the Directors' Report under Section 197(12) of Companies Act, 2013 read with Rule 5 (1) & (2) of Companies (Appointment & Remuneration) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18	Director's Name	Ratio to median remuneration
		Mr. V.N. Khandelwal	7.24:1
		Mr. Dinesh Khandelwal	7.24:1
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2018-19 compared to 2017-18	Designation	% increase in remuneration
		Mr. V.N. Khandelwal Director (Works)	Nil
		Mr. Dinesh Khandelwal Director (Finance) & CFO	Nil
		Ms. Surabhi Pasari, Company Secretary	5.88%
		Other Directors are paid sitting fees only Details mentioned in MGT-9	-
(iii)	Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18	Nil	
(iv)	Number of permanent employees on the rolls of the Company	As on 31.03.2019 12	As on 31.03.2018 27

(v) The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

Names of every employee of the company as per Rule 5(2) - **NIL**

KHANDELWAL EXTRACTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

To The Members of KHANDELWAL EXTRACTIONS LIMITED Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of KHANDELWAL EXTRACTIONS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the loss, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

Management's Responsibility for the financial statements

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

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

We draw attention to Note No 28 of the financial statements which describes the following matters:

Manufacturing operations at Akrapur Magarwara factory had been closed on 1 November 2018. There is significant doubt upon the entity's ability to continue as a going concern, as the Company has planned to sell or lease or otherwise dispose off the whole or substantially the whole of the undertaking situated at Akrapur-Magarwara, Distt. Unnao. However, the management is of the opinion that realizable value of all assets is not lower than the amount appearing in the books and therefore there is no need to provide for any impairment loss.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note No 30.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Gupta Vaish & Co.

Chartered Accountants

Registration Number: 005087C

Rajendra Gupta

(PARTNER)

Membership Number: 073250

Date: 29-05-2019

Place: Kanpur

KHANDELWAL EXTRACTIONS LIMITED

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT
Re : KHANDELWAL EXTRACTIONS LIMITED**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report that:

i. 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) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed /transfer deed/ conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of land and building are held in the name of the company as at the balance sheet date, except the following:

Particular of land	Gross Block as at 31-03-2019 Rs.	Net Block as at 31-03-2019 Rs.	Remarks
Freehold land (two cases))	1,55,124	1,55,124	The title deeds of land is held in the erstwhile name of the company - KHANDELWAL EXTRACTIONS PRIVATE LIMITED

- ii. In respect of its Inventories:
As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :
The Company has not granted any loan to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph (iii) the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Therefore, the provisions of paragraph (v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 for the products of the company.
- vii. According to the information and explanations given to us, in respect of statutory and other dues:

- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, Goods & Service Tax, cess and any other statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, Goods & Service Tax, cess and other statutory dues were in arrear as at 31st March, 2019 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no dues of income tax, sales tax, service tax, Goods & Service Tax and duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. As the company has no Loan outstanding from Financial institutions, Bank or Debenture holders at any time during the year, the provisions of the Companies (Auditor's Report) Order, 2016 are, therefore, not applicable to the company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph (ix) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph (xii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or person connected with them. Accordingly provisions of paragraph (xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The Company is not required to be registered under 45 –IA of the Reserve Bank of India Act 1934.

For GUPTA VIASH & Co.
Chartered Accountants
Registration Number:005087C

RAJENDRA GUPTA
(PARTNER)
Membership Number: 073250

Place: Kanpur
Date: 29-05-2019

KHANDELWAL EXTRACTIONS LIMITED

ANNEXURE –“B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KHANDELWAL EXTRACTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of KHANDELWAL EXTRACTIONS LIMITED (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For GUPTA VIASH & Co.
Chartered Accountants
Registration Number:005087C

RAJENDRA GUPTA
(PARTNER)
Membership Number: 073250

Place: Kanpur
Date: 29-05-2019

KHANDELWAL EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2019

	NOTES	As At 31.03.2019 ₹	As At 31.03.2018 ₹
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	9,981,026	10,494,955
Deferred Tax Assets (net)	12	2,910,700	1,473,259
		<u>12,891,726</u>	<u>11,968,214</u>
Current Assets			
Inventories	3	928,650	48,265,162
Financial Assets:			
Trade Receivables	4	-	3,868,997
Cash and Cash equivalents	5	7,227,884	179,695
Loans	6	10,000,000	14,000,000
Current Tax Assets (Net)	7	401,819	349,059
Other Current Assets	8	7,216,159	11,920,254
		<u>25,774,512</u>	<u>78,583,167</u>
TOTAL		<u>38,666,238</u>	<u>90,551,381</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	8,800,500	8,800,500
Other Equity	10	15,944,855	19,482,214
		<u>24,745,355</u>	<u>28,282,714</u>
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	-	1,000,000
		-	<u>1,000,000</u>
Current Liabilities			
Financial Liabilities:			
Borrowings	13	-	28,438,634
Trade Payables	14	560,814	6,292,490
Other Financial liabilities	15	12,000,000	16,144,666
Other Current Liabilities	16	1,335,699	10,240,604
Provisions	17	24,370	152,273
Current Tax Liabilities (Net)		-	-
		<u>13,920,883</u>	<u>61,268,667</u>
TOTAL		<u>38,666,238</u>	<u>90,551,381</u>

Accounting policies and notes on financial statements 1 to 31

As per our report attached

For Gupta Vaish & Co.
Chartered Accountants
Registration No. 005087C

DINESH KHANDELWAL
(Director- Finance & CFO)

K.N. KHANDELWAL
(Chairperson)

RAJENDRA GUPTA
(Partner)
Membership No. 073250

SURABHI PASARI
(Company Secretary)

V.N. KHANDELWAL
(Whole Time Director)

ASHOK GUPTA
(Independent Director)

Place: Kanpur
Date: 29.05.2019

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

	Notes	Year Ended 31.03.2019 ₹	Year Ended 31.03.2018 ₹
INCOME			
Revenue from operations	18	53,716,883	125,602,735
Other Income	19	2,420,279	2,431,121
Total Income		<u>56,137,162</u>	<u>128,033,856</u>
EXPENSES:			
Cost of Materials Consumed (Ricebran)		24,292,322	97,576,728
Purchases of Stock in trade		-	1,577,750
Changes in inventories of finished stock	20	20,235,930	3,589,591
Employees Benefits Expense	21	5,410,177	7,590,800
Finance cost	22	2,329,959	4,044,963
Depreciation and amortization expense		513,929	513,929
Other Expenses	23	8,373,341	20,230,697
Total Expenses		<u>61,155,658</u>	<u>135,124,458</u>
Profit/ (Loss) before Tax		<u>(5,018,496)</u>	<u>(7,090,602)</u>
Tax Expenses:			
Current Tax		-	-
Tax Adjustment of earlier years		(43,696)	-
Deferred Tax Credit (Including MAT Credit Entitlement)		(1,437,441)	(861,000)
Profit/ (Loss) for the period		<u>(3,537,359)</u>	<u>(6,229,602)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>(3,537,359)</u>	<u>(6,229,602)</u>
Earning per equity share of Rs 10 each			
Basic and Diluted	24	(4.16)	(7.33)
Accounting policies and notes on financial statements	1 to 31		

As per our report attached

For Gupta Vaish & Co.
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Date: 29.05.2019

KHANDELWAL EXTRACTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

	2018-19 ₹	2017-18 ₹
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	(5,018,496)	(7,090,602)
Adjustments for:		
Interest Income	(2,418,779)	(2,429,621)
Dividend Income	(1,500)	(1,500)
(Profit)/Loss on sale of Fixed Assets	-	(6,360)
Finance Cost	2,329,959	4,044,963
Depreciation	513,929	513,929
Operating Profit before Working Capital changes	(4,594,887)	(4,969,191)
Adjustments for:		
(Increase)/Decrease in Trade & Other Receivables	8,834,496	(160,806)
(Increase)/Decrease in Inventories	47,336,512	30,612,412
Increase/(Decrease) in Trade & Other Payables	(18,764,484)	(5,510,658)
Cash generated from operations	32,811,637	19,971,757
Adjusted for:		
Income Tax Paid (Net)	36,740	(288,370)
	36,740	(288,370)
Net Cash from Operating Activities	32,848,377	19,683,387
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(394,360)
Proceeds from Sale of Fixed Assets	-	9,360
Dividend Received	1,500	1,500
Interest Received (Net of TDS)	2,111,571	2,345,873
Recovery of Loan	4,000,000	1,000,000
Net Cash from Investing Activities	6,113,071	2,962,373
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	(1,000,000)	(3,000,000)
Movement in Cash Credit	(28,438,634)	(14,070,675)
Interest paid including Dividend and Dividend Tax	(2,474,625)	(5,595,269)
Net Cash used in Financing Activities	(31,913,259)	(22,665,944)
Net Increase/ (Decrease) in Cash & Cash equivalents (A)+(B)+(C)	7,048,189	(20,184)
Opening Balance of Cash & Cash Equivalents	179,695	199,879
Closing Balance of Cash & Cash Equivalents	7,227,884	179,695

Notes:

- Cash and Cash Equivalents consist of cash on hand and balances with bank.
- Reconciliation of Cash and Cash Equivalents: Cash and Cash Equivalents as per Note No. 5

As per our report attached

For Gupta Vaish & Co.
Chartered Accountants
Registration No. 005087C

DINESH KHANDELWAL
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(Independent Director)

Place: Kanpur
Date: 29.05.2019

KHANDELWAL EXTRACTIONS LIMITED**STATEMENT OF CHANGES IN EQUITY**

Statement of changes in equity for the year ended 31st March, 2019

A. Equity Share Capital

(In Rs.)

Balance at the beginning of the Reporting Period i.e. 01st April, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the Reporting Period i.e. 31st March, 2019
8,800,500	-	8,800,500

	Capital Redemption Reserve	General Reserve	Retained Earnings	Total
As on 31st march, 2019				
Balance as at 1st April, 2018	4,000,000	10,625,000	4,857,214	19,482,214
Total Comprehensive Income for the year	-	-	(3,537,359)	(3,537,359)
Transfer from general reserve	1,000,000	(1,000,000)	-	-
Tax on Preference Dividend				
Balance as at 31st March, 2019	5,000,000	9,625,000	1,319,855	15,944,855

KHANDELWAL EXTRACTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Khandelwal Extractions Limited (the "Company") is a company domiciled in India and limited by shares (CIN: L24241UP1981PLC005282). The shares of the company are publicly traded on the BSE Limited. The address of the company's registered office is 51/47, 3rd floor, Kesharwani Bhawan, Nayaganj, Kanpur-208001. The company is primarily engaged in the manufacturing and sale of solvent oil.

1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

1.2 Current and non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

1.3 Revenue recognition

1.3.1 Sales revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

The taxes, levies or duties are not considered to be received by the Company on its own account and are excluded from net revenue.

1.3.2 Interest

Interest income is recognised using the Effective Interest Method.

1.3.3 Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

1.3.4 Other Claims

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation.

1.4 Property, Plant and Equipment (PPE)

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and

restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day-to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent Measurement

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de recognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation

Depreciation on property, plant and equipment, except freehold land, is provided on straight line method based on useful life specified in schedule II to the Companies Act, 2013. The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

Transition to Ind AS

The company elected to continue with the carrying value as per cost model (for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS (01-04-2017) , measured as per the previous GAAP.

1.5 Impairment of Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.6.1 Financial assets

1.6.1 Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

1.6.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

KHANDELWAL EXTRACTIONS LIMITED

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.6.3 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.6.4 Financial liabilities

1.6.4.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

1.6.4.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

1.6.4.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

1.6.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.7 Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

1.8 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive Income or equity.

Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax:

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

1.9 Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

(iii) Defined benefit plans

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

a) Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund of the company. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

1.10 Foreign Currency Transactions

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing at the transaction date.

1.11 Inventories

- i) Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined by using First in First Out (FIFO) method. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods includes excise duty, wherever applicable.
Waste	At net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

- ii) Work-in-progress, finished goods and traded goods have been valued as per the principles and basis consistently followed.
- iii) Provision for obsolete/ old inventories is made, wherever required.

KHANDELWAL EXTRACTIONS LIMITED

1.12 Cash and Cash Equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.13 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.14 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.15 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Applications of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

1.15.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1.15.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) the requirements in Ind ASs dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

1.15.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

1.15.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.15.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.15.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

1.15.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

1.15.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.16 Abbreviation used:

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment

KHANDELWAL EXTRACTIONS LIMITED

NON-CURRENT ASSETS

2. PROPERTY, PLANT AND EQUIPMENT

(In Rs.)

Particulars	Gross Block						Balance as on 31.03.2019
	Balance as on 31.03.2017	Additions made during the year	Deletions made during the year	Opening Balance as on 01.04.2018	Additions made during the year	Deletions made during the year	
Tangible Assets							
Freehold Land	546,002	-	-	546,002	-	-	546,002
Factory Buildings	10,301,014	-	-	10,301,014	-	-	10,301,014
Plant and equipments	18,960,126	394,360	60,000	19,294,486	-	-	19,294,486
Furniture and Fixtures	157,128	-	-	157,128	-	-	157,128
Vehicles	1,533,541	-	-	1,533,541	-	-	1,533,541
TOTAL	31,497,811	394,360	60,000	31,832,171	-	-	31,832,171

Particulars	Depreciation Block						Upto 31.03.2019
	Upto 31.03.2017	Depreciation for the year	Adjustments during the year	Upto 31.03.2018	Depreciation for the year	Adjustments during the year	
Tangible Assets							
Freehold Land	-	-	-	-	-	-	-
Factory Buildings	4,680,581	196,692	-	4,877,273	196,692	-	5,073,965
Plant and equipments	15,799,923	170,237	57,000	15,913,160	170,237	-	16,083,397
Furniture and Fixtures	155,803	-	-	155,803	-	-	155,803
Vehicles	243,980	147,000	-	390,980	147,000	-	537,980
TOTAL	20,880,287	513,929	57,000	21,337,216	513,929	-	21,851,145

Particulars	Net Block	
	As at 31st March 2019	As at 31st March 2018
Tangible Assets		
Freehold Land	546,002	546,002
Factory Buildings	5,227,049	5,423,741
Plant and equipments	3,211,089	3,381,326
Furniture and Fixtures	1,325	1,325
Vehicles	995,561	1,142,561
TOTAL	9,981,026	10,494,955

Note : The title deed of immovable property included in property plant & equipment are held in the name of company except the following:

Particulars of Immovable Property	Gross Block as at 31-03-2019	Net Block as at 31-03-2019	Remarks
Freehold land (two cases)	155124	155124	The title deeds of land is held in the erstwhile name of the company - KHANDELWAL EXTRACTIONS PRIVATE LIMITED

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2019 ₹	As At 31.03.2018 ₹
<u>CURRENT ASSETS</u>		
3 INVENTORIES: (Valued at lower of cost and net realisable value)		
Raw materials	-	24,292,322
Finished Goods	98,669	20,334,599
Consumable Stores & Spares	829,981	3,638,241
	<u>928,650</u>	<u>48,265,162</u>
4 TRADE RECEIVABLES:		
Secured Considered Goods	-	-
Unsecured Considered Goods	-	3,868,997
Unsecured with significant Credit Risk	-	-
Unsecured Credit impaired	-	-
	<u>-</u>	<u>3,868,997</u>
5 CASH & CASH EQUIVALENTS :		
Balance With Banks In Current accounts	7,151,691	82,625
Cash on hands	76,193	97,070
	<u>7,227,884</u>	<u>179,695</u>
6 LOANS:		
Secured Considered Goods	-	-
Unsecured Considered Goods	10,000,000	14,000,000
Unsecured with significant Credit Risk	-	-
Unsecured Credit impaired	-	-
	<u>10,000,000</u>	<u>14,000,000</u>
7 CURRENT TAX ASSETS:		
Income Tax Advance	401,819	349,059
	<u>401,819</u>	<u>349,059</u>
8 OTHER CURRENT ASSETS:		
Security Deposit	555,418	555,418
Vat Recoverable	2,999,988	6,915,609
GST Recoverable	3,126,705	3,818,914
Prepaid Expenses	-	109,242
Interest Receivables	426,289	164,885
Insurance Claim recoverable	-	345,914
Other Advances	107,759	10,272
	<u>7,216,159</u>	<u>11,920,254</u>
9 SHARE CAPITAL:		
AUTHORISED:		
1000000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
ISSUED, SUBSCRIBED & PAID UP		
850100 Equity Shares of Rs. 10/- each	8,501,000	8,501,000
Equity Shares Forfeiture A/c	299,500	299,500
	<u>8,800,500</u>	<u>8,800,500</u>
The Reconciliation of number of shares outstanding at the beginning and end of the year:		
Particulars	No. of Shares	No. of Shares
Equity Shares at the Beginning of the year	850,100	850,100
Equity Shares at the end of the year	850,100	850,100
<u>Details Of Shareholders Holding More Than 5 % Shares</u>		
Equity Shares	NIL	NIL

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2019	As At 31.03.2018
	₹	₹
10 OTHER EQUITY:		
a CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	4,000,000	1,000,000
Transfer from General Reserve	<u>1,000,000</u>	<u>3,000,000</u>
Balance at the end of the year	5,000,000	4,000,000
b GENERAL RESERVE		
Balance at the beginning of the year	10,625,000	13,625,000
Transfer to Capital Redemption Reserve	<u>(1,000,000)</u>	<u>(3,000,000)</u>
Balance at the end of the year	9,625,000	10,625,000
c Retained Earnings		
Balance at the beginning of the year	4,857,214	11,373,514
Less: Ind AS Adjustment	-	(286,698)
Add: Total Comprehensive Loss for the year	<u>(3,537,359)</u>	<u>(6,229,602)</u>
Balance at the end of the year	1,319,855	4,857,214
	<u>15,944,855</u>	<u>19,482,214</u>

NOTES TO OTHER EQUITY:

- 10.1** Capital Redemption Reserve represents amount of Preference Capital redeemed.
- 10.2** General Reserve is the free reserve arising out of profit/loss earned by the Company after appropriations till date.
- 10.3** Retained Earnings represents the cumulative profits of the Company. This reserve can be utilized in accordance with the provision of the Companies Act, 2013.

NON-CURRENT LIABILITIES

FINANCIAL LIABILITIES

11 BORROWINGS:

Unsecured		
Cummulative Redeemable Preference Shares		
12% (Series II)	-	500,000
12% (Series III)	-	500,000
	<u>-</u>	<u>1,000,000</u>

12 DEFERRED TAX LIABILITIES (NET)

Balance at the beginning of the year	(1,473,259)	(612,259)
Charge/Credit to statement of Profit/Loss	<u>(1,437,441)</u>	<u>(861,000)</u>
Balance at the end of the year	(2,910,700)	(1,473,259)

Component of Deferred Tax Liability/Asset

Deferred Tax Liability/(Asset) in relation to		
Property, Plant & Equipment	1,595,200	1,562,116
Items under the Income Tax act which will be allowed on actual payment	(6,300)	(38,769)
Unabsorbed Business Losses & Depreciation	(3,349,600)	(1,846,606)
MAT Credit Entitlement	<u>(1,150,000)</u>	<u>(1,150,000)</u>
	<u>(2,910,700)</u>	<u>(1,473,259)</u>

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2019 ₹	As At 31.03.2018 ₹
<u>CURRENT LIABILITIES</u>		
<u>FINANCIAL LIABILITIES</u>		
13 BORROWINGS:		
SECURED LOANS FROM BANKS		
Cash Credit Account	-	28,438,634
Secured by equitable mortgage of land and Building and hypothecation of all fixed assets, inventories & trade receivables of the company and also by the personal guarantee(s) of three Directors of the company		
	<u>-</u>	<u>28,438,634</u>
14 TRADE PAYABLES		
To Micro Enterprises and Small Enterprises	-	-
To Others	<u>560,814</u>	<u>6,292,490</u>
	<u>560,814</u>	<u>6,292,490</u>
15 OTHER CURRENT FINANCIAL LIABILITIES		
Dividend on Preference Shares	-	144,666
Unsecured loans from related parties	<u>12,000,000</u>	<u>16,000,000</u>
	<u>12,000,000</u>	<u>16,144,666</u>
16 OTHER CURRENT LIABILITIES		
Payable to related party	<u>816,600</u>	9,605,440
Other Payable	<u>519,099</u>	<u>635,164</u>
	<u>1,335,699</u>	<u>10,240,604</u>
17 SHORT-TERM PROVISIONS		
Provisions for Employees Benefits	<u>24,370</u>	<u>152,273</u>
	<u>24,370</u>	<u>152,273</u>

KHANDELWAL EXTRACTIONS LIMITED

	Year Ended 31.03.2019	Year Ended 31.03.2018
	₹	₹
18 REVENUE FROM OPERATIONS:		
(a) Sale of products	53,705,458	123,680,479
(b) Other Operating Revenues	11,425	1,922,256
	<u>53,716,883</u>	<u>125,602,735</u>
19 OTHER INCOME:		
Interest Income	2,418,779	2,429,621
Dividend	1,500	1,500
	<u>2,420,279</u>	<u>2,431,121</u>
20 CHANGES IN INVENTORIES OF FINISHED GOODS:		
Stock at Commencement	20,334,599	23,924,190
Stock at Close	98,669	20,334,599
(Increase)/Decrease	<u>20,235,930</u>	<u>3,589,591</u>
21 EMPLOYEE BENEFITS EXPENSE:		
Salaries & Wages	4,813,756	6,802,520
Contribution To Provident and Other Funds	506,348	683,863
Staff Welfare Expense	90,073	104,417
	<u>5,410,177</u>	<u>7,590,800</u>
22 FINANCE COST:		
Interest on Borrowings	2,188,067	3,451,569
Other Financing Cost	141,892	593,394
	<u>2,329,959</u>	<u>4,044,963</u>
23 OTHER EXPENSES:		
MANUFACTURING EXPENSES		
Power & Fuel	3,137,002	8,151,675
Stores, Spares, Consumption	1,971,260	3,852,191
VAT Tax	97,618	-
Repairs to Machinery	26,646	649,011
Repairs to Buildings	3,000	57,510
Handling Charges	977,396	3,009,474
	<u>6,212,922</u>	<u>15,719,861</u>
ADMINISTRATIVE EXPENSES		
Insurance	159,801	227,341
Rates & Taxes	266,800	373,587
Rent	30,000	30,000
Miscellaneous Expenses	1,421,870	1,259,614
	<u>1,878,471</u>	<u>1,890,542</u>
SELLING & DISTRIBUTION EXPENSES		
Freight & Handling Outward	73,882	2,177,607
Selling Expenses	190,066	424,687
	<u>263,948</u>	<u>2,602,294</u>
REMUNERATION TO AUDITORS		
Audit Fees	18,000	18,000
	<u>18,000</u>	<u>18,000</u>
	<u>8,373,341</u>	<u>20,230,697</u>

KHANDELWAL EXTRACTIONS LIMITED

	2018-19	2017-18
	₹	₹
24 EARNINGS PER SHARE:		
Net Profit available to equity shareholders (used as numerator for calculating Basic & Diluted EPS)	3,537,359	(6,229,602)
Number of equity shares (used as denominator for calculating Basic & Diluted EPS)	<u>850,100</u>	<u>850,100</u>
Basic and Diluted Earning per share of Rs. 10/-	<u>(4.16)</u>	<u>(7.33)</u>
25 Balances of Trade Receivables , Advances and Trade Payables, are subject to confirmation.		
26 a) Defined Contribution Plan		
Contribution to defined contribution plan recognised as expenses for the year 2017-18 are as under	2018-19	2017-18
	₹	₹
Employer's Contribution to Provident Fund	429,878	571,022
b) Defined Benefit Plan		
The Employees Gratuity Fund Scheme managed by L.I.C. is Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation provided by L.I.C.		
Gratuity Funded		
I Expenses recognised in statement of Profit and Loss for the year ended.		
Current Service Cost	125,416	117,991
Interest Cost	447,452	420,356
Expected return on plan assets	(450,855)	(497,698)
Net Actuarial (Gain)/Loss recognised in the year	(535,245)	(57,419)
Expenses recognised in statement of Profit and Loss	(413,232)	(16,770)
II Net assets/(Liability) recognised in Balance sheet as at 31.03.2019		
Present Value of obligations as at the end of the year	3,462,335	5,593,150
Fair value of plan assets as at the end of the year	5,209,212	6,926,795
Funded Status	1,746,877	1,333,645
Net assets/(Liability) recognised in balance sheet	1,746,877	1,333,645
III CHANGE IN OBLIGATION DURING THE YEAR ENDED		
Present Value of Obligations as at the beginning of the year	5,593,150	5,254,445
Interest Cost	447,452	420,356
Current Service Cost	125,416	117,991
Benefits Paid	(2,168,438)	(142,223)
Actuarial (Gain)/Loss on obligation	(535,245)	(57,419)
Present Value of obligations as at the end of the year	3,462,335	5,593,150
IV CHANGE IN ASSETS DURING THE YEAR ENDED		
Fair value of plan assets at the beginning of the year	6,926,795	6,571,320
Expected return on plan assets	450,855	497,698
Contributions	-	-
Benefits Paid	(2,168,438)	(142,223)
Actuarial (Gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of the year	5,209,212	6,926,795
V ACTUARIAL ASSUMPTIONS		
Discount Rate	7.50%	8.00%
Salary Escalation	3.00%	5.00%

Actuarial Valuation of Leave Encashment has not been carried out as Company has paid leaves earned upto 31.03.2019.

KHANDELWAL EXTRACTIONS LIMITED

27 Related Party Disclosures:

a) Related Party disclosures as required under Section 188 of The Companies Act, 2013 –
(with whom transactions made)

Key Management Personnel and their relatives :

V.N. Khandelwal	Whole-time Director (Works)	Sudhir Kumar Khandelwal	Relative
Dinesh Khandelwal	Whole-time Director (Finance) & CFO	Anil Khandelwal	Relative
K.N. Khandelwal	Non-Executive Non-Independent Director		

Key Managerial Personnel:

Surabhi Pasari Company Secretary

Independent Directors:

Ashok Gupta	Atul Bagla
Anil Kamthan	Rekha Kejriwal

b) The following transactions were carried with persons referred above in the ordinary course of business:

	2018-19	2017-18
	₹	₹
Directors Sitting Fee- Non-Executive Non-Independent Director	10,000	10,000
Independent Directors	28,000	28,000
Remuneration	2,527,680	3,260,880
Unsecured Loan and Deposits		
Balance at the beginning of the year	16,000,000	5,450,000
Amount paid during the year	7,000,000	950,000
Amount received during the year	3,000,000	11,500,000
Balance at the end of the year	12,000,000	16,000,000
Interest Paid/ credited during the year	1,570,067	1,295,691

Note: Related Parties relationship is as identified by the Company and relied upon by the auditors.

KHANDELWAL EXTRACTIONS LIMITED

28 Closure of Manufacturing Operations

Manufacturing operations at Akrapur Magarwara factory had been closed on 1st November 2018. There is significant doubt upon the entity's ability to continue as a going concern, as the Company has planned to sell or lease or otherwise dispose off the whole or substantially the whole of the undertaking situated at Akrapur-Magarwara, Distt. Unnao. However, the management is of the opinion that realizable value of all assets is not lower than the amount appearing in the books and therefore there is no need to provide for any impairment loss.

29 Approval of Financial Statements:

The Financial Statements were approved by the Board of Directors on 29.05.2019

30 CONTINGENT LIABILITIES:

	31.03.2019	31.03.2018
	₹	₹
Claims against the Company not acknowledged as debts.	520,951	520,951

31 Figures of previous year have been regrouped, recasted and restated to conform to the layout of the accounts for the current year.

KHANDELWAL EXTRACTIONS LIMITED

KHANDELWAL EXTRACTIONS LIMITED

(CIN:L24241UP1981PLC005282)
 Regd. Office: 51/47 NayaGanj, Kanpur-208001
 E-mail:kelknp@yahoo.com Website: www.khandelwalextractions.com
 Mobile : 9415330630

Attendance Slip

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company to be held on **Saturday, 28th September 2019**, at 4.00 P.M at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur 208014.

.....
 Member's Folio No./BOID

.....
 Member's/Proxy's name
 In Block Letters

.....
 Member's /Proxy's Signature

Note : Please complete the Folio No. /BOID and name, sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

PROXY FORM

Name of the member(s):			
Registered address:			
E-mail ID			
Folio No./BOID :			
I/We being the member(s) holdingshares of Khandelwal Extractions Limited hereby appoint:			
1	Name.....	Address.....	
	E-mail id.....	Signature.....	Or failing him;
2	Name.....	Address.....	
	E-mail id.....	Signature.....	Or failing him;
3	Name.....	Address.....	
	E-mail id.....	Signature.....	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur, 208014 on **Saturday, 28th Sept., 2019** at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	RESOLUTIONS	Optional (✓)	
Ordinary Business		For	Against
1.	Adoption of Audited Financial Statements & Reports of the Directors and Auditors for the year ended 31 st March, 2019		
2.	Ratification of payment of Dividend on Preference Shares for the period 01.04.2018 to 24.03.2019		
3.	Re-appointment of Mr. Dinesh Khandelwal who retires by rotation.		
Special Business/Special Resolution			
4.	Re-appointment of Mr. Dinesh Khandelwal as Whole-Time Director (Finance) & CFO for 3 years w.e.f. 01.04.2020		
5.	Re-appointment of Mr. Ashok Gupta as an Independent Director for 5 years.		
6.	Re-appointment of Mr. Atul Bagla as an Independent Director for 5 years		
7.	Re-appointment of Mr. Anil Kamthan as an Independent Director for 5 years		
8.	Re-appointment of Mrs. Rekha Kejriwal as an Independent Director for 5 years		

Signed this.....day of September, 2019

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Revenue Stamp of Rs. 1/-

Note:

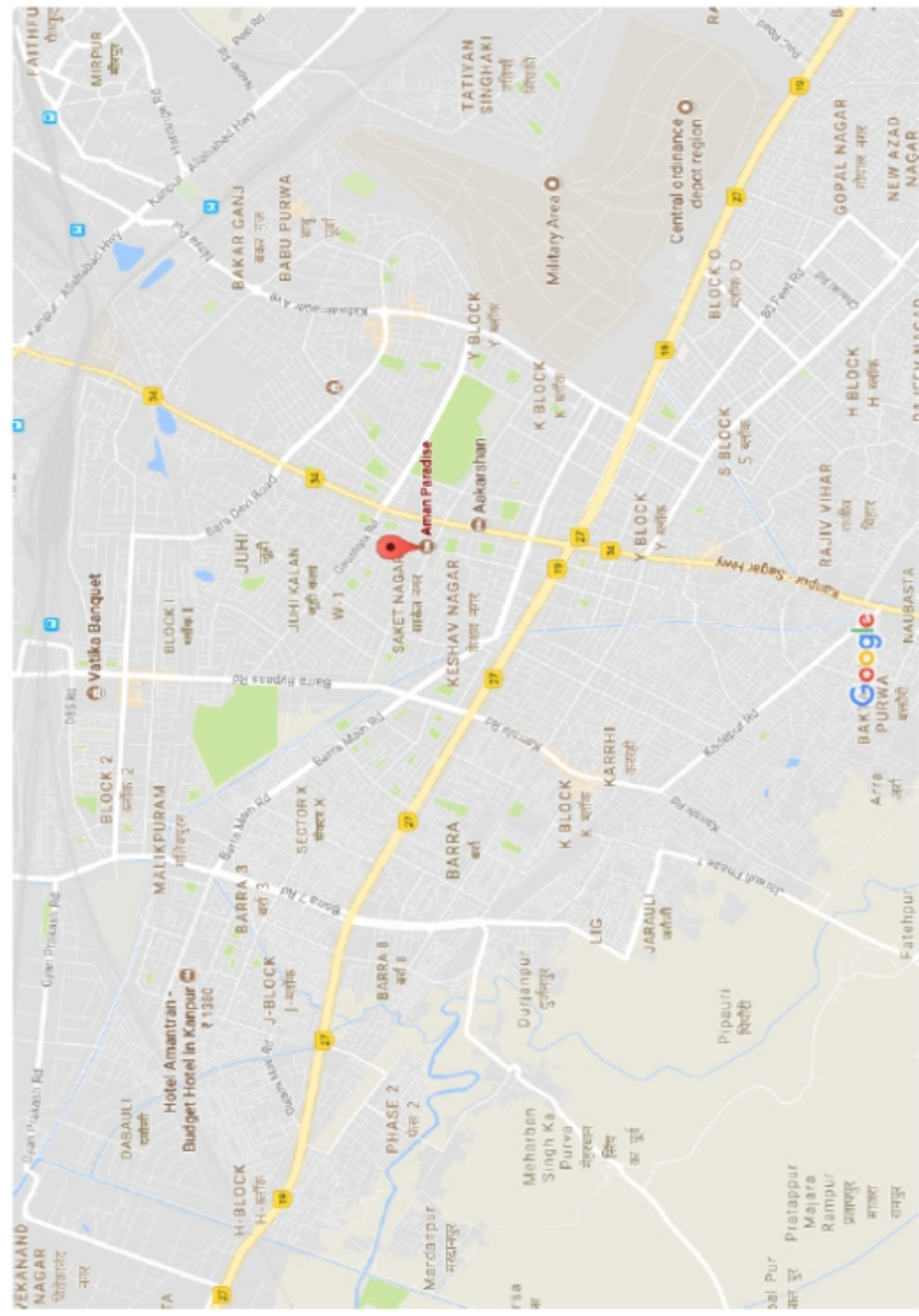
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of Meeting.
2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 37th Annual General Meeting.

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KHANDELWAL EXTRACTIONS LIMITED

MAP SHOWING VENUE OF ANNUAL GENERAL MEETING OF KHANDELWAL EXTRACTIONS LIMITED

VENUE : 50 MIG BUNGLOW, W BLOCK, KESHAV NAGAR, KANPUR - 208 014 (Near Aman Paradise)



if undelivered please return to :
KHANDELWAL EXTRACTIONS LIMITED
51/47, NAYAGANJ, KANPUR-208 001

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