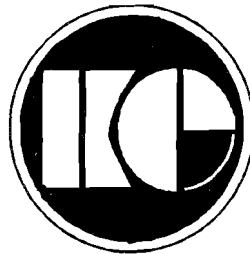


KHANDELWAL EXTRACTIONS LIMITED



31st ANNUAL REPORT

2012-2013

KHANDELWAL EXTRACTIONS LIMITED

BOARD OF DIRECTORS

K. N. KHANDELWAL
V. N. KHANDELWAL - Director (Works)
DINESH KHANDELWAL - Director (Finance)
ASHOK GUPTA
ATUL BAGLA
ANIL KAMTHAN

REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR – 208 001

WORKS :

AKRAMPUR – MAGARWARA
DISTT. UNNAO (UTTAR PRADESH)

AUDITORS :

M/S. P. L. TANDON & CO.

BANKERS :

KOTAK MAHINDRA BANK LTD.

ANNUAL GENERAL MEETING

ON SATURDAY,
THE 28th, SEPTEMBER, 2013
AT 4.00 P.M.
AT THE REGISTERED OFFICE
OF THE COMPANY

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KHANDELWAL EXTRACTIONS LIMITED

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of Khandelwal Extractions Ltd. will be held at the Registered Office of the Company on Saturday, the 28th September, 2013 at 4:00 P. M. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors' thereon.
2. To declare Dividend on 10% 5000 Preference Shares of Series-I and Series-II each and on 12% 30000. Preference Shares of Series-I for the financial year 2012-13.
3. To appoint a Director in place of Shri Atul Bagla, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil Kamthan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. P. L. Tandon & Company, Chartered Accountants, Kanpur to hold office of the Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

As Special Resolutions :

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

6. "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and terms of remuneration of Mr.V.N.Khandelwal as Director (Works) of the Company for a further period of 5 years w.e.f. 01.04.2014 on terms and conditions as set out in the draft agreement, submitted to this meeting, which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter and vary the same within the permissible limit as specified in Schedule XIII to the Companies Act, 1956 or any amendment or

re-enactment thereof and as may be agreed to between the Board of Directors and Mr.V.N.Khandelwal, Director (Works) ; AND THAT the consent of the Company be and is hereby accorded to the said Mr.V.N.Khandelwal, who is a relative of Mr. K.N.Khandelwal and Mr. Dinesh Khandelwal, Directors of the Company, holding and continuing to hold an office or place of profit under the Company namely that of Director (Works)."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year or years, the aforesaid remuneration including the perquisites shall be the minimum remuneration".

7. "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and terms of remuneration of Mr. Dinesh Khandelwal as Director (Finance) of the Company for a further period of 5 years w.e.f. 01.04.2014 on terms and conditions as set out in the draft agreement, submitted to this meeting, which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter and vary the same within the permissible limit as specified in Schedule XIII to the Companies Act, 1956 or any amendment or re-enactment thereof and as may be agreed to between the Board of Directors and Mr.Dinesh Khandelwal, Director (Finance); AND THAT the consent of the Company be and is hereby accorded to the said Mr. Dinesh Khandelwal, who is a relative of Mr. K.N.Khandelwal and Mr. V.N. Khandelwal, Directors of the Company, holding and continuing to hold an office or place of profit under the Company namely that of Director (Finance)."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year or years, the aforesaid remuneration including the perquisites shall be the minimum remuneration."

8. "RESOLVED that in accordance with the provisions of Sections 80 and 81 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the

KHANDELWAL EXTRACTIONS LIMITED

Company and subject to all requisite approvals, consents, etc., if any required under any statutory provisions, guidelines, rules, regulations and further subject to such terms and conditions and modifications, as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot up to 10000 unissued 12% Cumulative Redeemable Preference Shares of ₹ 100/- each (Series II) aggregating ₹ 10,00,000/- to such persons, companies and other entities, whether members of the Company or not, by way of private placement within the meaning of section 67(3) of companies Act, 1956 in one or more tranches for redemption of 10000 10% Cumulative Redeemable Preference Shares (series 1 and series 2) of ₹ 100/- each maturing in 2014, on such terms and conditions and the manner in which the Board may in its absolute discretion think fit".

By order of the Board of Directors

(DINESH KHANDELWAL)

Regd. Office: Director (Finance)

51/47, Nayaganj, Kanpur – 208 001

Dated: 25th May, 2013.

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- The Register of the members and Share Transfer books of the Company will remain closed from 21st September, 2013 to 28th September, 2013 (both days inclusive).
- As decided by the Board of Directors, the dividend on Preference Shares, if approved, shall be payable to all those shareholders whose name shall appear in the Register of members on 28th September, 2013.
- All documents referred to in the accompanying notice / explanatory statement are open for

inspection at the Registered Office of Company between 2:00 P.M. to 4:00 P.M. on all working days up to the date of the Annual General Meeting.

- With a view to have quick communication with our shareholders and to make them updated with important issues, the Company is in process of developing complete record of shareholders. The Company therefore seeks cooperation from each shareholder (including joint shareholders) by sending their following details :-

- Name of the shareholder(s) :
- Folio No./DPID/Client ID No. :
- E-mail address(es) :
- Landline phone number(s) :
- Mobile number(s) :
- Postal Address(es) :

For any assistance or communication, kindly contact Mr.Dinesh Khandelwal, Director (Finance) at his Mobile No. 08081252221 / e-mail : kelknp@yahoo.com , kel_dinesh@yahoo.in .

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.6 & 7

Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal, who have been associated with the Company's activities since inception, have been holding office in the capacity of Director (Works) and Director (Finance) in terms of the approval(s) accorded by the members of the Company from time to time and the last in Annual General Meeting held on 27th September, 2009. Their present tenure would expire on 31st March, 2014. The Board of Directors in the meeting held on 25.05.2013 approved their reappointment subject to the approval of shareholders for a further period of 5 years w.e.f. 01.04.2014 on the revised remuneration as set out here as under. Remuneration Committee of the Board of Directors has approved the revised pay package payable to them for the tenure starting from 01.04.2014 considering the dedicated services being rendered by them.

The present agreement shall stand automatically cancelled when the new agreement becomes operative. The following are the terms and conditions as regards to salary and perquisites of both Director (Works) and Director (Finance) (referred here in below "Appointees"):

KHANDELWAL EXTRACTIONS LIMITED

- (i) Salary : ₹ 50,000/- per month in the scale of ₹ 50000-2500-60000.
- (ii) Performance Linked Incentive : As may be decided by the Board on the recommendation of Remuneration committee
- (iii) Perquisites:

Category – A :

- (i) Housing: House Rent Allowance – 40% of the Basic Salary.
- (ii) Medical reimbursement: Reimbursement of the expenses for self and family subject to a ceiling of 5% of basic salary accumulated over a period of 3 years.
- (iii) Leave Travel Concession : Leave Travel Concession for self and his family once in a year incurred in accordance with the Rules of the Company.
- (iv) Personal Accident Insurance: Premium not to exceed ₹ 4,000/- per annum as per Company's rules.

EXPLANATION:

For the purpose of Category "A" family means the spouse, the dependent children and dependent parents.

Category –B:

- (i) Provident Fund : Company's contribution to Provident Fund, Superannuation Fund or Annuity 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.
- (ii) Gratuity . Gratuity payable shall not exceed half-month's salary for each completed year of service subject to a ceiling as permitted under Gratuity Act.

Category – C:

Provision of Car for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the appointee(s).

Appointee(s) are not to be paid any sitting fees for meeting of the Board or of any committee thereof attended by them.

In the event of loss or inadequacy of profits in any financial year(s) of the Company, the aforesaid remuneration shall be paid as minimum remuneration in accordance with the provisions of Companies Act.

1956 or any statutory modifications thereof in future / proposed new Companies Act when made applicable.

The Board of Directors in agreement with the appointee(s) may pay to him/them lower remuneration than the remuneration here in before stipulated, or revise the same from time to time, within the maximum limit stipulated by this resolution.

The above may be treated as abstract of the terms and conditions of appointment of Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal as Director (Works) and Director (Finance) within the meaning of the Companies Act, 1956.

The Special Resolutions as set out at item Nos. 6 & 7 are therefore commended for your approval.

None of the directors except Mr. K.N.Khandelwal, Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal being related to each other is concerned or interested in the said Resolutions.

Item No.8

The Board proposes to issue 10,000 shares 12% cumulative preference share (series II) on private placement basis within the meaning of Sec. 67(3) of the companies Act, 1956 and the same shall not be listed on any recognised stock exchange in order to raise funds to redeem 5,000 10% Cumulative Redeemable Preference Shares of ₹ 100 each of series I falling due for redemption on 01.03.2014 and another 5,000 10% Cumulative Redeemable Preference Shares of ₹ 100 each of series II falling due for redemption on 15.10.2014, for which shareholders consent is being obtained.

The Board of Directors recommends the Resolution as set out at item no. 8 for approval of the members.

Mr. K.N. Khandelwal, Mr. V.N. Khandelwal and Mr. Dinesh Khandelwal, Directors of the company, and their family members are concerned and interested in the aforesaid resolution to the extent of their holdings in equity and preference capital and also to the extent they may subscribe to the proposed issue.

By order of the Board of Directors

Place : Kanpur (Dinesh Khandelwal)
Date : 25th May, 2013 Director (Finance)

KHANDELWAL EXTRACTIONS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting their Annual Report and audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	2012-13 ₹/Lacs
Sales and other Income	2003.16
Profit before Interest and Depreciation	88.73
Less : Interest	20.67
Depreciation	3.21
Profit before Tax	64.85
Tax Expenses	20.41
(Including Deferred Tax)	
Profit after Tax	44.44
Balance as per last account	54.20
Amount available for Appropriations	98.64

APPROPRIATIONS

Dividend on Preference Shares (including tax)	5.38
Balance carried to Balance Sheet	93.26

OPERATIONS:

During the year Company achieved higher turnover at ₹ 2003.16 lacs and also recorded profit before tax at ₹ 64.85 lacs. Better realisation during off season provided higher margins. However the margins during current season were under great pressure due to high prices of raw materials without commensurate increase in selling prices.

DIVIDEND:

Your Directors recommend a dividend of ₹5,38,178/- (including ₹ 78,178/- Tax on Dividend) on 5000 Preference Shares of ₹100/- each of I (first) and II (second) series @ 10% and 30000 Preference Shares of ₹100/- each of Series - I @ 12% for the financial year 2012-13 .

With a view to conserve funds, your Directors do not recommend any dividend on Equity Shares for the year.

FINANCE:

- During the year the Company has shifted the working capital facilities from The Federal Bank Ltd to Kotak Mahindra Bank Ltd. who has offered these at much better terms.
- Your Directors propose to issue 10000 12% Cumulative Redeemable Preference Shares of ₹ 100 each (series II) to raise funds to redeem 10% Cumulative Redeemable Preference Shares of similar amount maturing in 2014. Your approval is sought to the resolution included in the notice in this regard.

PUBLIC DEPOSITS:

The company is not accepting deposits from public, but has accepted deposits from friends, relatives and business associates and has filed statement in lieu of advertisement. There was no unclaimed deposit as on 31.03.2013.

LISTING OF SHARES:

Company's equity shares continued to be listed with Bombay and U.P. Stock Exchanges.

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.

KHANDELWAL EXTRACTIONS LIMITED

TECHNOLOGY ABSORPTION:

The Company's plant has been designed on the continuous process technology of M/s. Extraktions Technik, Gmbh, Germany. No expenditure has been incurred on in-house research and development.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange earnings and outgo during the year under review.

DIRECTORS:

- a) Two of your Directors namely Mr.Atul Bagla and Mr.Anil Kamthan will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
- b) The tenure of Mr. V.N. Khandelwal, Director (Works) and Mr. Dinesh Khandelwal, Director (Finance) shall expire on 31.03.2014. The Board in their meeting held on 25.05.2013 have approved for their reappointment. Resolutions in this respect are being recommended for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of provisions of Section 217(2AA) of the Companies Act,1956, your Directors confirm as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

PERSONNEL:

- i) Industrial relations remained cordial throughout the year.
- ii) There was no employee getting monthly remuneration of maximum permissible limit prescribed under Section 217 (2A) of the Companies Act. 1956 during the year which needed disclosure.

AUDITORS:

The Auditors, M/s. P.L. Tandon & Co., Chartered Accountants, Kanpur will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to this effect.

SECRETARIAL COMPLIANCE CERTIFICATE :

In terms of Section 383 A of the Act, Secretarial Compliance Certificate issued by a Practicing Company Secretary is annexed hereto as part of Directors' Report.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for support and co-operation received from Kotak Mahindra Bank Ltd. and to all employees for their sincere and hard work.

By Order of the Board of Directors
For **KHANDELWAL EXTRACTIONS LIMITED**

Sd/-
DINESH KHANDELWAL
Director (Finance)

Sd/-
V. N. KHANDELWAL
Director (Works)

Place: Kanpur
Date: 25th May, 2013

KHANDELWAL EXTRACTIONS LIMITED

COMPLIANCE CERTIFICATE

To,

The Members,

Khandelwal Extractions Ltd.

51/47, Nayaganj, Kanpur- 208001

CIN-L24241UP1981PLC005282

I have examined the registers, record, books and papers of M/s.. Khandelwal Extractions Ltd. (The Company) as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2013 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, under the Act and the rules made there under.
3. The Company being a Public limited Company, comments are not required. It has the minimum prescribed paid up share capital.
4. The Board of Directors duly met 4 times respectively on 30.05.2012, 31.07.2012, 08.11.2012, and 12.02.2013 in respect of which meeting proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members. Necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for financial year ended on 31st March 2012 was held on 29.09.2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minute Book maintained for the purpose.
7. No Extra Ordinary Meeting (s) was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate shares Certificate during the financial year.
13. The Company has:
 - (i) delivered all the certificates on lodgment there of for transfer/transmission in accordance with the provisions of the Act;
 - (ii) deposited the amount of dividend declared in a separate bank account on 01.10.2012 which is within five days from the date of declaration of dividend.
 - (iii) paid dividends to all the share holders within a period of 30 days;
 - (iv) there is no unpaid/unclaimed dividend hence said clause not applicable;
 - (v) the Company has duly complied with the requirement of Section 217 of the Act.;
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director Registrar of Companies and or such other authorities prescribed under various provisions of the Act during the financial year as informed to me by the Company.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was not redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has accepted deposits and complied with the provisions of Section 58 A read with Companies (Acceptance of deposits) rules, 1975 during the financial year. Unsecured loans from the promoters of the Company accepted in earlier years continues in this year also as informed to me by the directors.
24. The amount borrowed by the company during the financial year are within the borrowing limits of the company and that necessary resolution as per Section 293 (1) (d) of the Act have been passed in duly convened annual general meeting of the company held on 29.09.2007.
25. The Company has made/given loans to other bodies corporate under Section 372 A during the financial year in accordance with the provisions of Section 372-A of the Act as per information provided to me by the Company. Necessary entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.

KHANDELWAL EXTRACTIONS LIMITED

28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year as per information provided to me by the company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per information provided to me the provisions of Section 418 of the Act is not applicable to company during the financial year. However the company has deposited Provident Fund with prescribed authorities under The Employees Provident Fund Act.

Place : Kanpur
Date : 25.05.2013

Signature
For **Banthia And Company**
Company Secretaries
G.K. Banthia Proprietor
C.P. No. 1405

Annexure-A

Registers maintained by the Company

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Register of Members U/s 150 2. Board Meeting Minutes Book U/s 193 3. General Meetings Minutes Book U/s 193. 4. Directors Attendance Register as per Table A. 5. Directors Particulars Register U/s 303. 6. Directors Share holding Register U/s 307. 7. Register of Particulars of Contracts U/s 301. | <ol style="list-style-type: none"> 8. Register of Loans U/s 372 A. 9. Share Transfer Book. 10. Register of Charges U/s 143. 11. Register of Dividend. 12. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules 1978. |
|--|--|

Annexure-B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ended 31st March 2013.

S.N.	Form No. Return	Filed under section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite/ additional fee paid Yes/No	
1	62	58A	read with companies acceptance of deposit Rules, 1975	Annual Return of Deposit	27.06.2012	Yes	No
2	62	58 A	read with Companies Acceptance of Deposit Rules 1975	Statement in lieu of advertisement	06.08.2012	Yes	No
3	5	125		Modification of Charge Dt. 31.08.2012	14.09.2012	Yes	No
4	66	383-A		Sec. Compliance	25.10.2012	Yes	No
5	20 B	159		Annual Return	27.11.2012	Yes	No
6	23 AC/ ACA, XBRL	220		Balance Sheet & P&L A/C	24.12.2012	Yes	No
7	17	138		Satisfaction of Charge Dt. 09.01.2013	18.01.2013	Yes	No
8	5	125		Charge Dt. 07.12.2012	27.01.2013	No	Yes
9	8	125		Modification of Charge Dt. 25.03.2013	25.04.2013	No	Yes
10	23 B (Filed by Auditors)	224		Intimation of reappointment as Auditors to ROC	19.10.2012	Yes	NA

Place : Kanpur
Date: 25.05.2013

Signature
For **Banthia and Company**
Company Secretaries
G.K. Banthia Proprietor
C.P. No/ 1405

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF KHANDELWAL EXTRACTIONS LIMITED**

We have audited the accompanying financial statements of Khandelwal Extractions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **P. L. TANDON & CO.**
Chartered Accountants
Registration No. 000186C

Place : Kanpur
Date: 25-05-2013

(P. P. SINGH)
PARTNER
Membership No. 072754

KHANDELWAL EXTRACTIONS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Re : KHANDELWAL EXTRACTIONS LIMITED

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- 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) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal during the year.
- II. In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- III. In respect of Loans, Secured or Unsecured, granted or taken by the Company to or from Companies, Firms or other Parties covered in the Register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us :
 - (a) The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not granted any loans secured or unsecured to parties listed in the register maintained under section 301 of the Companies Act, 1956, the paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are therefore, not applicable to the Company .
 - (e) Company had/has taken unsecured loans from twelve parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum balance involved during the year was ₹ 74.75 Lacs and the year end balance was ₹ 67.25 Lacs.
 - (f) The rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
 - (g) There is no overdue amount of such loan.
- IV. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- V. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

KHANDELWAL EXTRACTIONS LIMITED

- VI. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted.
- VII. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the products of the company.
- IX. 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, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at 31st March, 2013 for a period more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty which have not been deposited on account of any dispute.
- X. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- XII. As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- XIII. The nature of Company's business / activities during the year is such that provision of Clause 4 (xiii) of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in or trading in shares, securities and debentures and other investments.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any banks or financial institutions.
- XVI. The Company has not obtained any term loan during the year.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- XIX. As the Company has no debenture outstanding at any time during the year, provision of Clause 4 (xix) of the Companies (Auditors Report) Order, 2003 are therefore, not applicable to the Company.
- XX. The Company has not raised any money by Public issue during the year.
- XXI. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **P. L. TANDON & CO.**
Chartered Accountants
Registration No. 000186C
(P. P. SINGH)
PARTNER
Membership No. 72754

Place : Kanpur
Date: 25-05-2013

KHANDELWAL EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	12,800,500	12,800,500
Reserves And Surplus	3	23,950,974	20,045,606
		36,751,474	32,846,106
Non-Current Liabilities			
Long Term Borrowings	4	3,855,000	5,100,000
Deferred Tax Liabilities (net)	5	1,707,824	1,666,636
		5,562,824	6,766,636
CURRENT LIABILITIES			
Short Term Borrowings	6	23,499,789	30,730,294
Trade Payables	7	14,778,862	8,871,622
Other Current Liabilities	8	10,087,286	13,695,194
Short Term Provisions	9	905,292	1,291,069
		49,271,229	54,588,179
TOTAL		91,585,527	94,200,921
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	8,831,569	9,129,399
Long Term Loans and Advances	11	406,811	406,811
		9,238,380	9,536,210
Current Assets			
Inventories	12	54,360,958	56,391,178
Trade Receivables	13	10,021,470	8,770,997
Cash and Cash equivalents	14	10,805,838	1,358,620
Short Term Loans and Advances	15	7,158,321	17,942,241
Other Current Assets	16	560	201,675
		82,347,147	84,664,711
TOTAL		91,585,527	94,200,921

Accounting policies and notes on financial statements

1 to 30

As per our Report of even date attached

For P. L. TANDON & CO.
Chartered Accountants

P. P. Singh
Partner

Place : Kanpur

Dated : 25th May, 2013

V. N. KHANDELWAL
Director (Works)

DINESH KHANDELWAL
Director (Works)

K. N. KHANDELWAL
ASHOK GUPTA
ANIL KAMTHAN
ATUL BAGLA
Directors

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTE NO.	2012-2013 ₹	2011-2012 ₹
INCOME			
Revenue from operations	17	196,715,638	163,666,394
Other Income	18	3,600,018	2,210,947
TOTAL REVENUE		200,315,656	165,877,341
EXPENSES:			
Cost of Materials Consumed (Ricebran)		142,242,541	114,020,508
Purchases of Stock in trade		15,697,966	6,001,683
Changes in inventories of finished stock	19	(5,900,399)	6,677,049
Employees Benefits Expense	20	6,585,025	59,29,731
Finance cost		2,066,607	2,692,491
Depreciation		321,330	350,898
Other Expenses	21	32,817,852	28,575,949
TOTAL EXPENSES		193,830,922	164,248,309
PROFIT BEFORE TAX		6,484,734	1,629,032
TAX EXPENSE			
Current Tax		2,000,000	525,000
Deferred Tax Credit		41,188	(8,234)
Earlier Year's Tax -Adjustments		-	(92,443)
PROFIT FOR THE YEAR		4,443,546	1,204,709
Earning per equity share of Rs 10 each Basic and Diluted		4.59	0.79

**Accounting policies and notes on
financial statements**

1 to 30

As per our Report of even date attached

For P. L. TANDON & CO.
Chartered Accountants
P. P. Singh
Partner

V. N. KHANDELWAL
Director (Works)
DINESH KHANDELWAL
Director (Works)

K. N. KHANDELWAL
ASHOK GUPTA
ANIL KAMTHAN
ATUL BAGLA
Directors

Place : Kanpur

Dated : 25th May, 2013

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

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**Accounting policies and notes on
financial statements**

1 to 30

As per our Report of even date attached

For P. L. TANDON & CO.

Chartered Accountants

P. P. Singh

Partner

Place : Kanpur

Dated : 25th May, 2013

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K. N. KHANDELWAL

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Directors

KHANDELWAL EXTRACTIONS LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2013

	2012-2013	2011-2012
	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit & Loss A/C	6,484,734	1,629,032
Add/(Deduct) for:		
Dividend Received	(250)	(250)
Interest received	(3,599,768)	(2,210,697)
Loss on sale of Assets	-	3,244
Interest paid	2,066,607	2,692,491
Depreciation	321,330	350,898
Operating Profit before Working Capital changes	5,272,653	2,464,718
Adjustments for:		
Trade Receivable	9,533,447	(10,575,067)
Inventories	2,030,220	12,954,198
Trade Payables	4,076,373	(2,632,414)
Cash Generated from Operations	20,912,693	2,211,435
Adjusted for:		
Direct Taxes (paid)/Refund	(2,276,379)	575,426
Net Cash from Operating Activities	18,636,314	2,786,861
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(23,500)	(206,665)
Dividend Income	250	250
Interest Income	3,800,883	2,210,697
Sale of Fixed Asset	-	37,212
Net Cash from Investing Activities	3,777,633	2,041,494
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(repayment of) Unsecured Loans	(2,100,000)	(1,630,000)
Movement in Cash Credit	(7,230,505)	433,940
Interest paid	(3,101,601)	(2,634,236)
Dividend Paid	(534,623)	(534,623)
Net Cash used in Financing Activities	(12,966,729)	(4,364,919)
Net (Increase) / Decrease in Cash & Cash equivalents	9,447,218	463,436
(A)+(B)+(C)		
Opening Balance of Cash & Cash Equivalents	1,358,620	895,184
Closing Balance of Cash & Cash Equivalents	10,805,838	1,358,620

As per our Report of even date attached

For P. L. TANDON & CO.

Chartered Accountants

P. P. Singh

Partner

Place : Kanpur

Dated : 25th May, 2013

V. N. KHANDELWAL

Director (Works)

DINESH KHANDELWAL

Director (Works)

K. N. KHANDELWAL

ASHOK GUPTA

ANIL KAMTHAN

ATUL BAGLA

Directors

KHANDELWAL EXTRACTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES:

(I) BASIS OF ACCOUNTING :

The accounts are prepared in accordance with applicable mandatory accounting standards under the historical cost convention and mercantile system of accounting is followed for recognition of Income and Expenses .

(II) INVESTMENT :

Current investments are valued at lower of cost and fair market value. Long term investments are stated at cost after deducting provisions made for other than temporary diminution in the value . if any.

(III) FIXED ASSETS :

Fixed assets are stated at cost. Cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use.

(IV) INVENTORIES :

Inventories are valued at the lower of cost and net realizable value . Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of Raw Material is determined on seasonal weighted average cost. Cost of stores and spares and finished goods are determined on weighted average cost.

(V) BORROWING COST :

Borrowing Cost that are directly attributable to the acquisition ,construction or production of a qualifying asset are capitalized and other borrowing cost are charged to Profit & Loss Account.

(VI) DEPRECIATION :

Depreciation on the Fixed Assets has been provided in the books as per straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956.

(VII) SALES:

Sales includes freight and handling outwards but is net of goods returned, rebates and discounts.

(VIII) EMPLOYEE BENEFITS :

(i) Salaries, wages, house rent allowances and leave encashments are accounted for on accrual basis.
(ii) Liability for employees' gratuity is accounted for on the basis of contribution determined by L.I.C. under their Group Gratuity Cash Accumulation Scheme.

(IX) Prepaid expenses are proportionately accounted for on time basis in respect of insurance premium.

(X) Insurance claims are accounted for on the basis of claims filed with the Insurance Company and adjustments arising due to short/excess received in such claims are made in the year the claim is finally settled.

		As At 31.03.2013		As At 31.03.2012
		₹		₹
2 SHARE CAPITAL:				
AUTHORISED:				
1000000 Equity Shares of ₹ 10/- each		10,000,000		10,000,000
Cumulative Redeemable Preference Shares of ₹ 100/- each				
40000 12%		4,000,000		4,000,000
10000 10%		1,000,000		1,000,000
		15,000,000		15,000,000
ISSUED, SUBSCRIBED & PAID UP	Number	₹	Number	₹
Equity Shares of ₹ 10/- each	850,100	8,501,000	850,100	8,501,000
Equity Shares Forfeiture A/c		299,500		299,500
Cumulative Redeemable Preference Shares of ₹ 100/- each				
10% (Series I)	5,000	500,000	5,000	500,000
10% (Series II)	5,000	500,000	5,000	500,000
12% (Series I)	30,000	3,000,000	30,000	3,000,000
		12,800,500		12,800,500

KHANDELWAL EXTRACTIONS LIMITED

2.1 SHAREHOLDER HOLDING MORE THAN 5% SHARES

Equity Shares (Numbers)	NIL		NIL	
Preference Shares	10% Series I	10% Series II	12% Series I	12% Series II
Name	No. of Shares	%	No. of Shares	%
Suraj Devi Khandelwal	-	-	-	4,000 13
Kailash Nath Khandelwal	500	10	2,500	50 8,000 27
Vishwa Nath Khandelwal	2,000	40	600	12 - -
Sudhir Kumar Khandelwal	-	-	600	12 3,000 10
Dinesh Khandelwal	2,000	40	600	12 5,000 17
Anil Khandelwal	500	10	700	14 4,000 13
Rohit Khandelwal	-	-	-	- 3,500 12
Kiran Khandelwal	-	-	-	- 2,500 8

2.2 All the Cumulative Redeemable Preference Shares are redeemable at par on the expiry of 10 years from the date of allotment (as detailed below) but the Company has the option to redeem earlier but not before expiry of 3 years :

	Date of Issue
10% (Series I)	01.03.2004
10% (Series II)	15.10.2004
12% (Series I)	25.03.2008

2.3 There is no change in outstanding number of Equity as well as Preference Shares and also in list of share holders holding more than 5% Shares as at 31.03.2012 and 31.03.2013 .

3 RESERVES AND SURPLUS:

	₹	₹
CAPITAL RESERVE		
As per last Balance Sheet	1,125,000	1,125,000
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000,000	1,000,000
GENERAL RESERVE		
As per last Balance Sheet	12,500,000	12,500,000
SURPLUS		
As per last Balance Sheet	5,420,606	4,750,520
Add: Balance in Statement of Profit and loss	4,443,546	1,204,709
	9,864,152	5,955,229
Less : APPROPRIATIONS :		
Dividend on Preference Shares (proposed)	460,000	460,000
Tax on Dividend	78,178	74,623
	9,325,974	5,420,606
	23,950,974	20,045,606

4 NON-CURRENT LIABILITIES

LONG TERM BORROWINGS

UNSECURED LOANS:

Related Parties	950,000	950,000
DEPOSITS:		
Related Parties	2,375,000	3,400,000
Others	530,000	750,000
	3,855,000	5,100,000

KHANDELWAL EXTRACTIONS LIMITED

Maturity Profile	Rate of Interest	After 4 years	After 5 years	
Unsecured Loans	9%	950,000	950,000	
		<u>2014-15</u>	<u>2013-14</u>	
Deposits	12%	2,905,000	4,150,000	
5 DEFERRED TAX LIABILITIES (NET)				
DEFERRED TAX LIABILITIES				
Difference between net book value of depreciable capital assets as per books vis a vis written down value as per Income Tax		1,777,224	1,770,939	
DEFERRED TAX ASSETS				
Items under the Income tax Act which will be allowed on actual payment.		(69,400)	(104,303)	
		<u>1,707,824</u>	<u>1,666,636</u>	
6 SHORT-TERM BORROWINGS:				
SECURED LOANS FROM BANKS				
Cash Credit Account				
Secured by deposit of title deeds on fixed assets & hypothecation of all movable assets including interalia inventories & trade receivables of the company and also by the personal guarantee(s) of three Directors of the company		<u>23,499,789</u>	<u>30,730,294</u>	
7 TRADE PAYABLES				
Sundry Creditors		<u>14,778,862</u>	<u>8,871,622</u>	
7.1	Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2013 as per the terms of contract.			
8 OTHER CURRENT LIABILITIES				
Current Maturity of Long Term Debts				
Related Parties		3,400,000	3,590,000	
Others		750,000	1,415,000	
Interest accrued and due		-	680,544	
Interest accrued but not due on borrowings		666,567	1,021,017	
Other Payables		5,270,719	6,988,633	
		<u>10,087,286</u>	<u>13,695,194</u>	
8.1	Other payables include dues payable to Employees etc.			
9 SHORT-TERM PROVISIONS				
Provisions for Employees Benefits		224,597	337,550	
Provision for Taxation (Net of Advance)		142,517	418,896	
Proposed Dividend on Preference Shares		460,000	460,000	
Tax on proposed Dividend		78,178	74,623	
		<u>905,292</u>	<u>1,291,069</u>	
10 FIXED ASSETS				
TANGIBLE ASSETS				
GROSS BLOCK				
ASSETS	OP. BALANCE	ADDITIONS	DELETIONS	TOTAL
Freehold Land	546,002	-	-	546,002
Factory Buildings	10,301,014	-	-	10,301,014
Plant and equipments	17,798,016	23,500	-	17,821,516

KHANDELWAL EXTRACTIONS LIMITED

Furniture and Fixtures	157,128	-	-	157,128
Vehicles	833,752	-	-	833,752
TOTAL OF THIS YEAR	29,635,912	23,500	-	29,659,412
TOTAL OF THE PREVIOUS YEAR	29,600,165	206,665	170,918	29,635,912
DEPRECIATION BLOCK				
Freehold Land	-	-	-	-
Factory Buildings	3,684,847	202,829	-	3,887,676
Plant and equipments	16,152,987	68,732	-	16,221,719
Furniture and Fixtures	155,803	-	-	155,803
Vehicle	512,876	49,769	-	562,645
TOTAL OF THIS YEAR	20,506,513	321,330	-	20,827,843
TOTAL OF THE PREVIOUS YEAR	20,286,077	350,898	130,462	20,506,513
NET BLOCK				
	THIS YEAR		LAST YEAR	
Freehold Land	546,002			546,002
Factory Buildings	6,413,338			6,616,167
Plant and equipments	1,599,797			1,645,029
Furniture and Fixtures	1,325			1,325
Vehicle	271,107			320,876
TOTAL	8,831,569			9,129,399
11 LONG TERM LOANS AND ADVANCES:				
Unsecured Considered Good :				
Security Deposits	406,811			406,811
12 INVENTORIES:				
Raw materials	25,111,670			31,722,622
Finished Goods	27,131,967			21,231,568
Stores & Spares	2,117,321			3,436,988
	54,360,958			56,391,178
13 TRADE RECEIVABLES:				
Unsecured Considered Good :				
Over six months	-			-
Others	10,021,470			8,770,997
	10,021,470			8,770,997
14 CASH & CASH EQUIVALENTS :				
Balance With Banks In				
Fixed Deposit	625,000			850,000
Current accounts	10,028,923			369,409
Cash on hands	151,915			139,211
	10,805,838			1,358,620
15 SHORT TERM LOANS & ADVANCES:				
Unsecured considered good				
Loans	2,500,000			13,500,000
Vat Recoverable	4,346,907			4,232,486
Other Advances	162,403			116,595
Prepaid Expenses	67,685			64,285
Claims Recoverable	81,326			28,875
	7,158,321			17,942,241
16 OTHER CURRENT ASSETS:				
Interest accrued on deposits	560			201,675
	560			201,675

