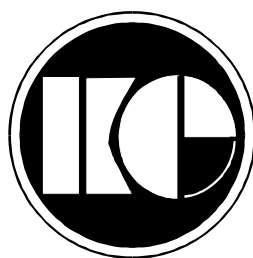


KHANDELWAL EXTRACTIONS LIMITED



32nd ANNUAL REPORT
2013-2014

KHANDELWAL EXTRACTIONS LIMITED

BOARD OF DIRECTORS

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

REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR – 208 001

CIN : L24241UP1981PLC005282

Website : www.khandelwalextractions.com

Email : kelknp@yahoo.com

WORKS :

AKRAMPUR – MAGARWARA
DISTT. UNNAO (UTTAR PRADESH)

AUDITORS :

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

BANKERS :

KOTAK MAHINDRA BANK LTD., KANPUR

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KHANDELWAL EXTRACTIONS LIMITED

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of Khandelwal Extractions Ltd. will be held at 50 MIG Bunglow, W Block, Keshav Nagar Kanpur- 208014 on Saturday, the 27th September, 2014 at 4:00 P.M. to transact the following business:

1. To receive, consider and adopt the audited Financial Statements of the company including Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on 5000 Preference Shares of Series-II @ 10%, on 30000 Preference Shares of Series-I @ 12% for the financial year 2013-14 and on 5000 Preference Shares of Series- II @ 12% for the period from 19-02-2014 to 31-03-2014.
3. To approve and ratify the payment of dividend on 5000 Preference shares of Series I @ 10% for the period from 1.04.2013 to 28.02.2014 i.e up to the date of maturity.
4. To appoint a Director in place of Shri V. N. Khandelwal (DIN 00161893), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors (pursuant to Section 139 of the Companies Act 2013) 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 authorize Board of Directors to fix their remuneration. The retiring Auditors, M/s P.L. Tandon & Co, Chartered Accountants, Kanpur (ICAI Registration NO. 000186C), are, however eligible for reappointment.

SPECIAL BUSINESS:

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

As Ordinary Resolution(s):

6. "RESOLVED THAT pursuant to the provisions of Sections 149,150,152, and any other provisions of the companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri Ashok Gupta (DIN 00135288) Director of the Company who retires at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to conclusion of Annual General Meeting in the calendar year 2019"
7. "RESOLVED THAT pursuant to the provisions of Sections 149,150,152, and any other provisions of the Companies Act 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri Atul Bagla (DIN 00159563) Director of the Company who retires at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to conclusion of Annual General Meeting in the calendar year 2019."
8. "RESOLVED THAT pursuant to the provisions of Sections 149,150,152, and any other provisions of the companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri Anil Kamthan (DIN 00159819) Director of the Company who retires at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to the conclusion of Annual General Meeting in the calendar year 2019."
9. "RESOLVED THAT Mrs. Rekha Kejriwal (DIN 06889864), who has been appointed as an Additional Director of the Company by Board of Directors with effect from 29th July, 2014 in terms of Section 161(1) of the Companies Act, 2013 and pursuant to the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director,

be and is hereby appointed as an Independent Director of the Company to hold office for a term up to conclusion of Annual General Meeting in the calendar year 2019."

As Special Resolution(s):

10. "RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act 2013 (corresponding Section 293(1)(d) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company and in reconfirmation to the earlier resolution(s) passed in this regard at the Annual General meeting held on 29th September 2007, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the financial institutions, Company's bankers and / or from any person or persons, firms, bodies, corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs.1000 lacs (Rupees one thousand lacs only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing /Wholtime Director or the Director or the Key Managerial Personnel of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

11. "RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 (corresponding Section 293(1)(a) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013, and in partial modification to the earlier resolution(s) passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages/charges/hypothecation in any manner whatsoever on all or any of the immovable and movable properties of the Company, present and future, of the whole or substantially the whole of the undertaking of the Company, ranking pari-passu or otherwise and/or second and/or subservient and/or subordinate to the mortgages /charges/hypothecation already created or to be created in future by the Company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets and or for the business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills discounting scheme or in favour of trustees for Debentureholders / Bondholders/ FCCBs holders that may be appointed hereafter, as security for the debentures / bonds /FCCBs that may be issued by the Company, with power to take over the management, business and concern thereof in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amounts consented by the Company by the resolution passed at this meeting pursuant to Section 180(1)(a) of the Companies Act 2013 i.e. Rs.1000 lacs (Rupees one thousand lacs only) together with interest thereon and further interest, if any, cost, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to and cause to prepare, finalise, approve and

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execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond/FCCBs holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to the Committee of Directors or the Managing/ Whole time Director or the Director or the Key Managerial Personnel of the Company.

12. **"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of Companies Act 2013 and the Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force read with schedule V to the Companies Act 2013, the consent of the company be and is hereby accorded to the appointment of Mr. Dinesh Khandelwal (DIN 00161831) designated Director Finance and Chief Financial Officer, retiring by rotation, for three (3) years with effect from 1-4-2014, on the terms and conditions of appointment and remuneration as recommended by Nomination and Remuneration Committee and as contained in the Explanatory statement attached to the Notice."
13. **"RESOLVED THAT** pursuant to the provisions of Sections 62(1)(C), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under, as may be amended from time to time and the Articles of Association of the 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, the consent of the Company be and is hereby accorded to the Board including committees thereof to issue, offer and allot up to 50,000 10.5% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating Rs. 50,00,000/- for cash at par to such persons, companies and other entities, whether members of the Company or not, (not exceeding 100 in total) by way of private placement within the meaning of Section 42 of the Companies Act, 2013 for long term working capital purpose including inter-alia for repayment of fixed deposits, with authority to the Board to determine terms and conditions and the manner in which the Board may in its absolute discretion think fit within the prescribed guidelines".
- "RESOLVED FURTHER THAT** the Board of Directors of the company (including committees thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution."
14. **"RESOLVED THAT** pursuant to the provisions of Section 13 and any other applicable provisions of the Companies Act 2013, the Memorandum of Association of the Company be and is hereby amended by deleting the existing Clause V and substituting with the following new Clause V;
- V: "The Authorised Share Capital of the company is Rs. 200.00 lacs divided into 10,00,000 Equity Shares of Rs 10/- each and 10,000 -10% Cumulative Redeemable Preference Shares of Rs. 100/- each 40,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each and 50000-10.5% Cumulative Redeemable Preference Shares of Rs. 100/- each with rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being with power to increase and reduce the capital of the company and to divide the shares in the Capital for the time being in to several classes and denominations and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and legislative provisions for the time being in force."
15. **"RESOLVED THAT** in reconfirmation and furtherance to the resolution passed by the members in Annual General meeting held on 28th September 2013 and pursuant to the provisions of Sections 42 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under, as may be amended from time to time and the Articles of Association of the 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, the consent of the Company be and is hereby accorded to the Board including committees thereof to issue,

offer and allot up to 5000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each series-III aggregating Rs. 5,00,000/- for cash at par to such persons, whether members of the Company or not, (not exceeding 10) by way of private placement within the meaning of Section 42 of the Companies Act, 2013 for redemption of 5000- 10% Cumulative Redeemable Preference Shares of Rs 100/- each series-II due for maturity on 15th October 2014, with authority to the Board to determine terms and conditions and the manner in which the Board may in its absolute discretion think fit within the prescribed guidelines".

"RESOLVED FURTHER THAT the Board of Directors of the company (including committees thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution."

By order of the Board of Directors

Regd. Office:
51/47, Nayaganj,
Kanpur – 208 001
Dated : 29th July, 2014.

(DINESH KHANDELWAL)
Director (Finance & C.F.O.)

Notes:

- (a) 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. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of total equity share capital of the company. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- (b) The Register of the members and Share Transfer books of the Company will remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
- (c) 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 27th September, 2014.
- (d) 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 except Saturday up to the date of Annual General Meeting.
- (e) Pursuant to clause 49 of the Listing agreement relating to Corporate Governance, the particulars of Mr. V.N. Khandelwal, Director proposed to be reappointed by rotation, are given as under:
Mr. V N Khandelwal (DIN 00161893) presently Director Works in the capacity of Whole time director (appointed by the members in last Annual General meeting for 5 years till 31st March 2019) is one of the promoter Directors and is associated with the company since inception. He has been devoting full time attention to the affairs of the company and has been responsible for production, quality control, and related matters. His association with the company has been very fruitful and beneficial. His appointment is in interest of the company. He holds 29650 equity shares of the company.
- (f) **Ministry of Corporate Affairs has issued circulars stating that the service of notices/ documents including Annual Report can be sent by electronic mode. Member's cooperation is therefore solicited to furnish their latest address, e mail address, contact phone no. and PAN no. to enable the company to communicate faster. For any assistance, the member(s) may contact Mr. Dinesh Khandelwal – Director (Finance & CFO) on mobile no 08081252221 or 09415330630 or email kelknp@yahoo.com**
- (g) In terms of Section 107 and 108 of the Companies Act 2013 read with relevant applicable rules and pursuant to Listing Agreements, the company has made arrangement of e-voting through CDSL. Members have option to vote either through e-voting or by casting their vote at the meeting. In case members cast their vote through both the modes, votes cast through e-voting would only be considered. The procedure and Instructions for e-voting are as follows:-
 - i. Open your web browser during the voting period and log on to the e-voting website <https://www.evotingindia.com>.

KHANDELWAL EXTRACTIONS LIMITED

- ii. Now click on "Shareholders" to cast your votes.
- iii. Now select the Electronic Voting Sequence Number ("EVSN") along with "KHANDELWAL EXTRACTIONS LIMITED" from the drop down menu and click on "SUBMIT".
- iv. All the shares of the Company are in Physical Form. Members should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on "Login"
- v. Fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Shareholders, who have not updated their PAN with the company, are requested to use the first two letters of their name in Capital letter followed by 8 digits folio no. in the PAN field. In case the folio no. is less than 8 digits enter the applicable number of '0' after the folio number e.g. if your name is Ramesh Kumar with folio no 1234 then enter RA12340000 in the PAN field.
DOB#	Enter the Date of Birth as recorded in the Company records for the said folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in the Company records for the said folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company please enter the number of shares held by you as on 10th August, 2014 in the Dividend Bank details field

- # Please enter any one of the details in order to login.
- vi. After entering these details appropriately, click on "SUBMIT" tab.
 - vii. Members will then reach directly the EVSN selection screen.
 - viii. The details can be used only for e-voting on the resolutions contained in this Notice.
 - ix. Click on the relevant EVSN on which you choose to vote.
 - x. 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.
 - xi. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - xii. 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.
 - xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xiv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xv. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - xvi. **The voting period begins on 21st September, 2014 (10.00 a.m.) and ends on 23rd September, 2014 (10.00 a.m.)**. During this period shareholders of the Company, holding shares as on the cut-off date of **10th August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - xvii. In case 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact helpdesk.evoting@cdslindia.com; Tel. No. 022-66069031.
 - xviii. 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 process in fair and transparent manner.
 - xix. A copy of this notice has been placed on the website of the Company and the website of CDSL.

For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not be entitled to vote at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. 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.

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

Item No.6 7 & 8:

Independent Directors Shri Ashok Gupta, Shri Atul Bagla and Shri Anil Kamthan have completed their five year terms. In terms of section 149 and any other applicable provisions of the Companies Act 2013, Shri Ashok Gupta, Shri Atul Bagla, and Shri Anil Kamthan, being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for five consecutive years for a term up to the conclusion of Annual General Meeting in the calendar year 2019. Respective notices have been received from member(s) proposing their candidature for the office of Directors of the company. The company has received from each of them (i) consent in writing to act as director in Form DIR-2 (ii) intimation in form DIR-8 to the effect that they are not disqualified under section 164(2) of the Companies Act 2013, and (iii) a declaration to the effect that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act 2013. In the opinion of the Board, Shri Ashok Gupta, Shri Atul Bagla, Shri Anil Kamthan fulfill the conditions specified in the Companies Act 2013 and rules framed there under for their appointment as Independent Directors of the company and are independent of the management. All the above three directors are not liable to retire by rotation. Given below is the brief resume of Shri Ashok Gupta, Shri Atul Bagla, and Shri Anil Kamthan.

Shri Ashok Gupta (DIN 00135288) is a Non Executive Independent Director of the company since 2004 and is well versed with the affairs of the company. He is a qualified Chartered Accountant and possesses over 30 years experience in the field of finance, accounts, taxation and related matters. He is holding a key position in a reputed company. He is director of other companies. He holds 100 Equity shares of the company.

Shri Atul Bagla (DIN 00159563) is a Non Executive Independent Director of the company since 2004 and is well versed with the affairs of the company. He is a qualified Chartered Accountant and possess vast experience in the field of finance, accounts etc. He is holding a key position in a reputed company. He is also director of other companies. He holds 100 equity shares of the company.

Shri Anil Kamthan (DIN 00159819) is a Non Executive Independent Director of the company since 2009. He has vast experience in the field of company law matters, secretarial practices and accounts. He has recently retired from the post of Company secretary of a reputed listed company after serving 40 years of continuous service. He has been the director in other companies also. He holds 100 equity shares in the company.

The Board considers that their continued association would be of immense benefit to the company. The copies of the draft letters for appointment of respective Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company. The Ordinary Resolutions as set out at item Nos. 6, 7& 8 are therefore commended for your approval.

Except Shri Ashok Gupta, Shri Atul Bagla, Shri Anil Kamthan who are interested /concerned in their respective resolutions, none of the directors and Key Managerial Personnel of the Company and their relatives are concerned in the resolution set out as items no 6,7&8.

Item no. 9:

Mrs. Rekha Kejriwal has been appointed by the Board on 29th July 2014 in compliance of Section 149(1) of Companies Act 2013 as additional director and she holds office till ensuing AGM. She being eligible has offered for appointment as Independent Director in respect of whom a notice from a shareholder proposing her candidature has also been received by the company. She has furnished necessary declarations on prescribed Forms. She is a qualified company secretary and possesses 16 years of experience in field of company law matters, accounts, finance. The Board is of view that she fulfills the conditions of being appointed as

KHANDELWAL EXTRACTIONS LIMITED

Independent Director and is independent of the management. The Board recommends Ordinary resolution for her appointment as Independent Director, not liable to retire by rotation, till conclusion of Annual General Meeting in the calendar year 2019. She does not hold any share in the company

Except Mrs. Rekha Kejriwal who is interested / concerned in the resolution, none of the directors and Key Managerial Personnel of the company and their relatives are concerned in the resolution. .

Item No 10 & 11

The members in their meeting held on 29th September 2007 had, by way of ordinary resolutions passed under section 293(1)(d) and 293(1) (a) of Companies Act 1956 authorized the Board to borrow for and on behalf of the company up to Rs 1000 lacs and to create mortgage/ charge on the company's assets or undertakings to secure the borrowings . Section 180 of the Companies Act 2013 requires that the said power can be entrusted to the Board through Special resolution. The approval of the members is therefore sought for reconfirmation of said borrowings and for creation of mortgage /charge on company's assets pursuant to Section 180(1)(c) and 180(1)(a) of Companies Act 2013. The resolutions set at item no 10 & 11 are recommended to the members for their approval by Special resolutions.

None of the Directors and Key managerial Personnel of the company or their relatives is concerned or interested in the aforesaid resolutions.

Item No.12

In the AGM held on 28th September 2013 , the members have consented for appointment of Mr. Dinesh Khandelwal as Director –Finance in the capacity of Wholetime Director for five (5) years with effect from 1.4.2014 .In order to comply with the requirements of Companies Act 2013 the Board has also appointed him as Chief Financial Officer and designated him as Director Finance and Chief Financial Officer for three (3) years with effect from 1.4.2014 on the same remuneration package as was approved by the members in the AGM held on 28.9.2013 which is well below the maximum permissible under Schedule V of the Companies Act 2013.Fresh approval of the members is being sought for the same. The followings are the terms and conditions as regards to salary and perquisites payable to him:

Salary : Rs.50000/- per month in the scale of Rs.50000-2500-60000.

Performance Linked Incentive: As may be decided by the Board on the recommendation of Nomination & Remuneration committee

(iii) Perquisites:

Category – A :

Housing: House Rent Allowance – 40% of the Basic Salary.

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.

Personal Accident Insurance: premium not to exceed Rs.4000/- 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:

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.

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.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, in

agreement with him, may pay 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.

Mr. Dinesh Khandelwal, a commerce graduate, carries 32 years experience of dealing with company's finances, banking and commercial functions and he is associated with the company since inception. His association is immense for the company's affairs. The remuneration as proposed in the resolution is very well justified considering his devotion and full time attention to the company's business. The directors therefore recommend the resolution set as item no 12 as Special resolution.

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

Item No. 13 & 14

The Board proposes to issue 50000 10.5% Cumulative Redeemable Preference Shares of Rs100/-each aggregating Rs 50 lacs for cash at par, on private placement basis within the meaning of Section 42 of the Companies Act, 2013 to persons (members or not) not exceeding 100 in total, in order to raise funds for augmenting long term resources for working capital, for which shareholders consent is being obtained vide resolution set as item no 13 of the accompanying Notice. These shares shall be non convertible and non participating but shall have a preferential right to dividend and repayment over equity shares. These shares shall be redeemable at par on the expiry of 10 years with option to the Company to redeem earlier but not before expiry of 3 years. These shares shall not be listed with any stock exchange. The company has been accepting deposits from members, promoter directors and their relatives in the past to meet working capital requirements after complying necessary formalities in this respect .The Board has decided to discontinue acceptance of deposits and in terms of section 74 of the Companies Act 2013, the company has to repay all its fixed deposits . The Directors therefore propose to raise funds through issue of Preference Shares to meet the company's funds requirements .For the purpose, the company's Authorized Share Capital also needs to be increased from present Rs 150 lacs to Rs. 200 lacs by adding 50000 10.5% Cumulative Redeemable Preference Shares of Rs. 100/- each. The Board of Directors recommend the Resolutions as set out at items no. 13 and 14 for approval of the members as Special Resolutions.

All the Directors (except Mrs. Rekha Kejriwal)of the company, and their family members are concerned and interested in the aforesaid resolutions to the extent of their holdings in equity and preference capital and also to the extent they may subscribe to the proposed issue.

Item No 15

The Board proposes to issue 5000 12% Cumulative Redeemable Preference Shares of Rs100/-each series-III aggregating Rs 5 lacs for cash at par, on private placement basis within the meaning of Section 42 of the Companies Act, 2013 to persons (members or not) not exceeding 10 (ten), and the proceeds thereof to be utilized in redemption of 5000 10% Cumulative redeemable Preference Shares of Rs. 100 each (Series II) maturing on 15th October 2014. These shares shall be non convertible and non participating but shall have a preferential right to dividend and repayment over equity shares. These shares shall be redeemable at par on the expiry of 10 years with option to the Company to redeem earlier but not before expiry of 3 years. These shares shall not be listed with any stock exchange.

In last meeting held on 28th September 2013 the members had approved and authorized Board to issue 10000 12% Cumulative Redeemable Preference Shares of Rs100/- each including 5000 shares for the purpose of redemption of 5000-10% Cumulative Redeemable Preference Shares of Rs.100/-each maturing on 15th October 2014. In view of new guidelines for issue of securities by way of private placement fresh approval of the members is being obtained vide resolution set at item no 15 as Special Resolution.

All the Directors (exceptMrs. Rekha Kejriwal) of the company, and their family members are concerned and interested in the aforesaid resolutions 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

Regd. Office:
51/47, Nayaganj, Kanpur – 208 001
Dated : 29th July, 2014.

(DINESH KHANDELWAL)
Director (Financial & C.F.O.)

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, 2014.

FINANCIAL RESULTS

	2013-14
	₹/Lacs
Sales and other Income	1644.54
Profit before Interest and Depreciation	70.89
Less : Interest	23.82
Depreciation	3.08
Profit before Tax	43.99
Tax Expenses	13.89
(Including Deferred Tax)	
Profit after Tax	30.10
Balance as per last account	93.26
Amount available for Appropriations	123.36
APPROPRIATIONS	
Dividend on Preference Shares	5.41
(including tax)	
Balance carried to Balance Sheet	117.95

OPERATIONS:

During the year Company achieved turnover of Rs.1644.54 lacs and recorded profit before tax at Rs.43.99 lacs. As reported last year, the margins during last season were under great pressure due to high prices of raw materials without commensurate increase in selling prices which affected the profitability of year under review. The forecast of el nino shall cast it's shadow on agro based industry in the new season. Much shall depend upon it's impact in areas near to your plant as the availability of raw materials for your plant is linked to paddy crop.

DIVIDEND:

Your directors, during the year, paid a dividend of Rs. 53517(including tax Rs. 7775) on 5000 10% Preference Shares of Rs. 100/- each (series I) which matured on 1.03.2014 and were redeemed along with dividend due. Your Directors recommend a dividend of 'Rs.487565/- (including 'Rs.70825/- Tax on Dividend) on 5000 Preference Shares of Rs.100/- each of II (second) series @ 10% and 30000 Preference Shares of 'Rs.100/- each of Series - I @ 12% for the financial year 2013-2014 and on 5000 Preference Shares of Rs. 100/- each of series II (second) for the period from 19.02.2014 to 31.03.2014 @12%.

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

FINANCE:

- a) During the year, the Company has redeemed 5000 10% cumulative Redeemable Preference Shares of Rs. 100/- each of series I on maturity date ie 1.03.2014 out of proceeds of issue of 5000 12% Cumulative Redeemable Preference Shares of Rs 100 /- each.(series II)
- b) (i) Your Directors propose to issue 50000 10.5%% Cumulative Redeemable Preference Shares of Rs.100 each to raise funds to augment it's resources for working capital and repayment of fixed deposits to comply with the provisions of section 74 of The Companies Act 2013. This will need alteration of Memorandum of Association of the company for increasing Authorised Capital of the company. Your approval is sought to the resolutions included in the notice in this regard.
- (ii) 5000-12% Cumulative Redeemable Pref. shares of Rs. 100/- each series-III and the proceeds thereof to be utilized in redemption of 500-10% Cumulative Redeemable Pref. shares of Rs. 100/- each series-II falling due for maturity on 15th Oct. 2014. Your approval is sought to the resolutions 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 during the year and has filed statement in lieu of advertisement. There was no unclaimed deposit as on 31.03.2014. Your company have decided to discontinue acceptance of deposits after commencement of Companies Act 2013.

LISTING OF SHARES:

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

KHANDELWAL EXTRACTIONS LIMITED

The listing fees are duly paid.

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.

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. Mr. V N Khandelwal (DIN 00161893) will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. In order to comply the requirement of Section 149 of the Companies Act 2013, the Board has reappointed Mr. Dinesh Khandelwal (DIN 00161831) as Director Finance and Chief Financial Officer of the Company w.e.f 1.04.2014 for a period of 3 years subject to approval of the members.
- b. Mr. Ashok Gupta (DIN 00135288), Mr. Atul Bagla (DIN 00159563) and Mr. Anil Kamthan (DIN 00159819) have completed their term of five years and as per the provisions of Companies Act 2013 they are to be appointed as Independent directors. The Board after considering their qualifications and experience in the field of commerce, finance and company law matters have approved for their appointment as Independent Directors for a term of five years i.e. up to conclusion of Annual General Meeting 2019. Further, Mrs. Rekha Kejriwal (DIN 06889864) was appointed by the Board as additional Director to comply with the provisions of Section 149(1) of Companies Act 2013 who holds the office till conclusion of the ensuing Annual General meeting. She is a qualified Company secretary and has rich experience in various commercial fields. The Board has recommended her appointment as Independent Director for a term of five years up to the date of AGM 2019. Resolutions in respect of above are being recommended for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) 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) 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) 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 Companies Act 1956, 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.

FOR AND ON BEHALF OF BOARD

Place: Kanpur

Date: 29th July, 2014

K N KHANDELWAL

CHAIRMAN

KHANDELWAL EXTRACTIONS LIMITED

COMPLIANCE CERTIFICATE

To,
The Members,
Khandelwal Extractions Ltd.
51/47, Nayaganj, Kanpur- 208001
CIN-L24241UP1981PLC005282

I have examined the registers, records, 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 2014 (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 25.05.2013, 10.08.2013, 31.10.2013 and 12.02.2014 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 2013 was held on 28.09.2013 after giving due notice to the members of the Company and the resolutions passed there at 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. The company has obtained necessary approvals from the Board of Directors, members pursuant to section 314 of the Act for appointments of two whole time directors. No approval from Central Government was required and necessary forms have been filed with ROC.
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 thereof for transfer/transmission in accordance with the provisions of the Act;
 - ii) deposited the amount of dividends declared in a separate bank account on 03.10.2013 & 03.03.2014 which is within five days from he 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 appointed two Whole -time Directors during the financial year and two forms MR-1 filed.
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 issued and allotted 5000 12% cumulative redeemable pref. shares of Rs. 100/- each on 19.02.2014 for which form 2 filed.
20. The Company has not bought back any shares during the financial year.
21. The Company redeemed 5000 preference shares on 01.03.2014 and filed form 5.
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 372A 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.

KHANDELWAL EXTRACTIONS LIMITED

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
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 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. Show cause notice No. Pc/D/210/ROC/KNP/MA/20-5282/629 dt. 27.03.2014 was received and suitably replied to by the company on April 2, 2014.
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 : 27.05.2014

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

Annexure-A

Registers maintained by the Company

- | | |
|--|---|
| 1. Register of Members U/s 150 | 8. Register of Loans U/s 372 A. |
| 2. Board Meeting Minutes Book U/s 193 | 9. Share Transfer Book. |
| 3. General Meetings Minutes Book U/s 193. | 10. Register of Charges U/s 143. |
| 4. Directors Attendance Register as per Table A. | 11. Register of Dividend. |
| 5. Directors Particulars Register U/s 303. | 12. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules 1978. |
| 6. Directors Share holding Register U/s 307. | |
| 7. Register of Particulars of Contracts U/s 301. | |

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 2014.

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	8	125	Modification of Charge dt. 25.03.2013	25.04.2013	No	Yes
2	62	58A read with companies acceptance of Deposit Rules, 1975	Annual Return of deposit	25.06.2013	Yes	No
3	62	58A read with companies acceptance of Deposit Rules, 1975	Statement in lieu of advertisement	24.08.2013	Yes	No
4	23	192	Appointment of 2 WTD by special resolution	08.10.2013	Yes	No
5	66	383-A	Sec. Compliance	05.10.2013	Yes	No
6	23B (filed by Auditors)	224	Intimation of Anticipation of the appointment as auditors to ROC	15.10.2013	Yes	No
7.	23AC/ACA XBRL	220	Balance Sheet & P&L A/c.	25.10.2013	Yes	No
8	20B	159	Annual Return	28.11.2013	No	Yes
9	2	75	Return of Allotment of Cum Red, Pref. Shares	15.03.2014	Yes	No
10	5	95	Alteration in Capital Clause being redemption of Cum Pre. Shares on 01.03.2014	31.03.2014	Yes	No

Place : Kanpur
Date: 27.05.2014

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

KHANDELWAL EXTRACTIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHANDELWAL EXTRACTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Khandelwal Extractions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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, 2014;
- (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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(P. P. SINGH)
PARTNER

Membership No. 072754

Place : Kanpur
Date: 27-05-2014

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 Rs. 83.75lacs and the year end, balance was Rs.80.25 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 loans.
- 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 Rs. 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.
- 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

KHANDELWAL EXTRACTIONS LIMITED

- (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. We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained.
- 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, 2014 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
DATED : 27-05-2014

KHANDELWAL EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 ₹	As at 31.03.2013 ₹
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	12,800,500	12,800,500
Reserves And Surplus	3	26,420,129	23,950,974
		<u>39,220,629</u>	<u>36,751,474</u>
Non-Current Liabilities			
Long Term Borrowings	4	7,425,000	3,855,000
Deferred Tax Liabilities (net)	5	1,706,754	1,707,824
		<u>9,131,754</u>	<u>5,562,824</u>
CURRENT LIABILITIES			
Short Term Borrowings	6	42,753,621	23,499,789
Trade Payables	7	12,215,661	14,778,862
Other Current Liabilities	8	9,569,401	10,087,286
Short Term Provisions	9	1,038,484	905,292
		<u>65,577,167</u>	<u>49,271,229</u>
TOTAL		<u>113,929,550</u>	<u>91,585,527</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	8,616,240	8,831,569
Long Term Loans and Advances	11	409,811	406,811
		<u>9,026,051</u>	<u>9,238,380</u>
Current Assets			
Inventories	12	66,610,926	54,360,958
Trade Receivables	13	10,621,819	10,021,470
Cash and Cash equivalents	14	896,055	10,805,838
Short Term Loans and Advances	15	26,637,009	7,158,321
Other Current Assets	16	137,690	560
		<u>104,903,499</u>	<u>82,347,147</u>
TOTAL		<u>113,929,550</u>	<u>91,585,527</u>

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
Registration No. 000186C

P. P. Singh
(Partner)
Membership no.072754
Place : Kanpur
Date : 27th May,2014

V.N. KHANDELWAL
(Whole Time Director)

DINESH KHANDELWAL
(Director- Finance & CFO)

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

KHANDELWAL EXTRACTIONS LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	NOTE NO.	2013-2014 ₹	2012-2013 ₹
INCOME			
Revenue from operations	17	160,215,169	196,715,638
Other Income	18	4,238,512	3,600,018
TOTAL REVENUE		164,453,681	200,315,656
EXPENSES:			
Cost of Materials Consumed (Ricebran)		130,598,164	142,242,541
Purchases of Stock in trade		10,652,844	15,697,966
Changes in inventories of finished stock	19	(20,192,728)	(5,900,399)
Employees Benefits Expense	20	7,267,013	6,585,025
Finance cost	21	2,381,819	2,066,607
Depreciation		308,204	321,330
Other Expenses	22	29,039,446	32,817,852
TOTAL EXPENSES		160,054,762	193,830,922
PROFIT BEFORE TAX		4,398,919	6,484,734
TAX EXPENSE			
Current Tax		1,400,000	2,000,000
Deferred Tax Credit		(1,070)	41,188
Earlier Year's Tax -Adjustments		(10,258)	-
PROFIT FOR THE YEAR		3,010,247	4,443,546
Earning per equity share of Rs 10 each Basic and Diluted		2.90	4.59

**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
Registration No. 000186C

V.N. KHANDELWAL
(Whole Time Director)

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

P. P. Singh
(Partner)
Membership no.072754
Place : Kanpur
Date : 27th May,2014

DINESH KHANDELWAL
(Director- Finance & CFO)

KHANDELWAL EXTRACTIONS LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2014

	2013-2014 ₹	2012-2013 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit & Loss A/C	4,398,919	6,484,734
Add/(Deduct) for:		
Dividend Received	(250)	(250)
Interest received	(4,238,262)	(3,599,768)
Interest paid	2,381,819	2,066,607
Depreciation	308,204	321,330
Operating Profit before Working Capital changes	<u>2,850,430</u>	<u>5,272,653</u>
Adjustments for:		
Trade Receivable	(20,082,037)	9,533,447
Inventories	(12,249,968)	2,030,220
Trade Payables	(1,740,820)	4,076,373
Cash Generated from Operations	<u>(31,222,395)</u>	<u>20,912,693</u>
Adjusted for:		
Direct Taxes (paid)/Refund	(1,206,159)	(2,276,379)
Net Cash from Operating Activities	32,428,554	18,636,314
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(92,875)	(23,500)
Dividend Income	250	250
Interest Income	4,101,132	3,800,883
Net Cash from Investing Activities	<u>4,008,507</u>	<u>3,777,633</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(repayment of) Unsecured Loans	2,325,000	(2,100,000)
Movement in Cash Credit	19,253,832	(7,230,505)
Interest paid	(2,476,863)	(3,101,601)
Dividend Paid	(591,705)	(534,623)
Net Cash used in Financing Activities	<u>18,510,264</u>	<u>(12,966,729)</u>
Net (Increase) / Decrease in Cash & Cash equivalents	(9,909,783)	9,447,218
(A)+(B)+(C)		
Opening Balance of Cash & Cash Equivalents	10,805,838	1,358,620
Closing Balance of Cash & Cash Equivalents	896,055	10,805,838

As per our report of even date attached
For P.L. Tandon & Co.
Chartered Accountants
Registration No. 000186C

P. P. Singh
(Partner)
Membership no.072754
Place : Kanpur
Date : 27th May,2014

V.N. KHANDELWAL
(Whole Time Director)

DINESH KHANDELWAL
(Director- Finance & CFO)

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 31.03.2014 ₹		As At 31.03.2013 ₹
2 SHARE CAPITAL:			
AUTHORISED:			
100000 Equity Shares of Rs.10/- each	10,000,000		10,000,000
Cumulative Redeemable Preference Shares of Rs. 100/- each			
40000 12%	4,000,000		4,000,000
10000 10%	1,000,000		1,000,000
	<u>15,000,000</u>		<u>15,000,000</u>
ISSUED, SUBSCRIBED & PAID UP	Number		Number
Equity Shares of Rs. 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 Rs. 100/- each			
10% (Series I)	-	-	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% (Series II)	5,000	500,000	- -
		<u>12,800,500</u>	<u>12,800,500</u>

KHANDELWAL EXTRACTIONS LIMITED

2.1 SHAREHOLDER HOLDING MORE THAN 5% SHARES

Name	NIL					
	10% Series I		12% Series I		12% Series II	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Suraj Devi Khandelwal	-	-	4,000	13	-	-
Kailash Nath Khandelwal	2,500	50	8,000	27	500	10
Vishwa Nath Khandelwal	600	12	-	-	1000	20
Sudhir Kumar Khandelwal	600	12	3,000	10	1000	20
Dinesh Khandelwal	600	12	5,000	17	1500	30
Anil Khandelwal	700	14	4,000	13	1000	20
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 Allotment
10% (Series II)	15.10.2004
12% (Series I)	25.03.2008
12% (Series II)	19.02.2014

2.3 During the year 5000 10% cumulative Redeemable preference shares of Rs.100/- each (series I) have been redeemed out of the proceeds of fresh issue of 5000 12% cumulative Redeemable preference shares of Rs.100/- each (series II)

2.4 There is no change in outstanding number of Equity as well as Preference shares of 10% Series II, 12% Series I and also in list of shareholder holding more than 5% Shares as at 31.03.2014 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	9,325,974	5,420,606
Add : Balance in Statement of Profit and Loss	3,010,247	4,443,546
	12,336,221	9,864,152
Less : APPROPRIATIONS:-		
Dividend on Preference Shares (proposed/paid)	462,492	460,000
Tax on Dividend	78,600	78,178
	11,795,129	9,325,974
	26,420,129	23,950,974
4 NON-CURRENT LIABILITIES		
LONG TERM BORROWINGS		
UNSECURED LOANS:		
Related Parties	950,000	950,000
DEPOSITS:		
Related Parties	4,700,000	2,375,000
Others	1,775,000	530,000
	7,425,000	3,855,000

KHANDELWAL EXTRACTIONS LIMITED

Maturity Profile	Rate of Interest	After 3 years	After 4 years
Unsecured Loans	9%	950000	950000
		<u>2015-16</u>	<u>2014-15</u>
Deposits	12%	6475000	2905000
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		1,776,223	1,777,224
DEFERRED TAX ASSETS			
Items under the Income tax Act which will be allowed on actual payment.		(69,469)	(69,400)
		<u>1,706,754</u>	<u>1,707,824</u>
6 SHORT-TERM BORROWINGS:			
SECURED LOANS FROM BANKS			
Cash Credit Account			
Secured by deposit of title deeds of land 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		42,753,621	23,499,789
7 TRADE PAYABLES			
Sundry Creditors		12,215,661	14,778,862
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, 2014 as per the terms of contract.			
8 OTHER CURRENT LIABILITIES			
Current Maturity of Long Term Debts			
Related Parties		2,375,000	3,400,000
Others		530,000	750,000
Interest accrued but not due on borrowings		571,523	666,567
Other Payables		6,092,878	5,270,719
		<u>9,569,401</u>	<u>10,087,286</u>
8.1 Other payables include dues payable to Employees etc.			
9 SHORT-TERM PROVISIONS			
Provisions for Employees Benefits		224,819	224,597
Provision for Taxation (Net of Advance)		326,100	142,517
Proposed Dividend on Preference Shares		416,740	460,000
Tax on proposed Dividend		70,825	78,178
		<u>1,038,484</u>	<u>905,292</u>
10 FIXED ASSETS			
TANGIBLE ASSETS			
GROSS BLOCK			
ASSETS		ADDITIONS	DELETIONS
Freehold Land	546,002	-	-
Factory Buildings	10,301,014	-	-
Plant and equipments	17,821,516	92,875	-
			TOTAL
			546,002
			10,301,014
			17,914,391

KHANDELWAL EXTRACTIONS LIMITED

Furniture and Fixtures	157,128	-	- 157,128
Vehicles	833,752	-	- 833,752
TOTAL OF THIS YEAR	29,659,412	92,875	- 29,752,287
TOTAL OF THE PREVIOUS YEAR	29,635,912	23,500	- 29,659,412
DEPRECIATION BLOCK			
Freehold Land	-	-	- -
Factory Buildings	3,887,676	202,829	- 4,090,505
Plant and equipments	16,221,719	72,677	- 16,294,396
Furniture and Fixtures	155,803	-	- 155,803
Vehicle	562,645	32,698	- 595,343
TOTAL OF THIS YEAR	20,827,843	308,204	- 21,136,047
TOTAL OF THE PREVIOUS YEAR	20,506,513	321,330	- 20,827,843
NET BLOCK		THIS YEAR	LAST YEAR
Freehold Land		546,002	546,002
Factory Buildings		6,210,509	6,413,338
Plant and equipments		1,619,995	1,599,797
Furniture and Fixtures		1,325	1,325
Vehicle		238,409	271,107
TOTAL		8,616,240	8,831,569
11 LONG TERM LOANS AND ADVANCES:			
Unsecured Considered Good :			
Security Deposits		409,811	406,811
12 INVENTORIES:			
Raw materials		16,840,153	25,111,670
Finished Goods		47,324,695	27,131,967
Stores & Spares		2,446,078	2,117,321
		66,610,926	54,360,958
13 TRADE RECEIVABLES:			
Unsecured Considered Good :			
Over six months		-	-
Others		10,621,819	10,021,470
		10,621,819	10,021,470
14 CASH & CASH EQUIVALENTS :			
Balance With Banks In			
Fixed Deposit		625,000	625,000
Current accounts		80,214	10,028,923
Cash on hands		190,841	151,915
		896,055	10,805,838
15 SHORT TERM LOANS & ADVANCES:			
Unsecured considered good			
Loans		22,000,000	2,500,000
Vat Recoverable		4,317,226	4,346,907
Other Advances		180,839	162,403
Prepaid Expenses		138,944	67,685
Claims Recoverable		-	81,326
		26,637,009	7,158,321
16 OTHER CURRENT ASSETS:			
Interest accrued on Deposits		137,690	560
		137,690	560

KHANDELWAL EXTRACTIONS LIMITED

	2013-2014	2012-2013
17 INCOME		
(a) Sale of products	160,059,253	196,576,855
Oil	81,395,292	91,989,234
Deoiled Meals	78,663,961	104,587,621
(b) Other Operating Revenues		
Miscellaneous Income	155,916	138,783
	<u>160,215,169</u>	<u>196,715,638</u>
18 OTHER INCOME:		
Interest Income	4,238,262	3,599,768
Dividend	250	250
*Includes interest on Fixed Deposits		
	<u>4,238,512</u>	<u>3,600,018</u>
19 CHANGES IN INVENTORIES OF FINISHED GOODS		
Stock at Commencement	27,131,967	21,231,568
Stock at Close	47,324,695	27,131,967
(Increase)/Decrease	<u>(20,192,728)</u>	<u>(5,900,399)</u>
20 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	5,854,164	5,769,146
Contribution To Provident and Other Funds	1,268,004	679,978
Staff Welfare Expense	144,845	135,901
	<u>7,267,013</u>	<u>6,585,025</u>
21 FINANCE COST		
Interest on Borrowings	2,381,819	1,926,813
Application Processing Fee	-	139,794
	<u>2,381,819</u>	<u>2,066,607</u>
22 OTHER EXPENSES:		
MANUFACTURING EXPENSES :		
Power & Fuel	9,602,499	9,843,661
Stores, Spares, Consumption	6,489,622	6,522,527
VAT Tax	-	400,000
Repairs to Machinery	675,598	961,169
Repairs to Buildings	170,310	170,787
Handling Charges	2,708,405	2,387,136
	<u>19,646,434</u>	<u>20,285,280</u>
ADMINISTRATIVE EXPENSES		
Insurance	370,953	329,744
Rates & Taxes	316,625	388,228
Rent	51,150	38,560
Payment to Auditors :		
Audit Fees	20,225	20,225
For other services	5,618	4,495
Miscellaneous Expenses	1,922,335	1,496,499
	<u>2,686,906</u>	<u>2,277,751</u>
SELLING & DISTRIBUTION EXPENSES		
Freight & Handling Outward	6,531,512	10,053,328
Selling Expenses	174,594	201,493
	<u>6,706,106</u>	<u>10,254,821</u>
	<u>29,039,446</u>	<u>32,817,852</u>

KHANDELWAL EXTRACTIONS LIMITED

23 Balances of Sundry Debtors , Advances and Creditors, are subject to confirmation.

24 a) Defined Contribution Plan

Contribution to defined contribution plan recognised as expenses for the year 2013-14 are as under

	2013-14	2012-13
	₹	₹
Employer's Contribution to Provident Fund	465,447	459,506
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.		
PROFIT & LOSS FOR THE YEAR ENDED		
Current Service Cost	145,930	146,130
Interest Cost	343,129	333,346
Expected return on plan assets	(395,881)	(396,456)
Net Actuarial (gain)/Loss recognised in the year	270,910	(38,697)
Expenses recognised in statement of Profit and Loss	364,088	44,323
Total Expenses	728,176	88,646
II Net assets/(Liability) recognised in balance sheet as at 31.03.2014		
THE BALANCE SHEET AS AT 31.03.2014		
Present Value of obligations as at the end of the year	5,049,085	4,289,116
Fair value of plan assets as at the end of the year	5,598,916	4,513,010
Funded Status	549,831	223,894
Net assets/(Liability) recognised in balance sheet	549,831	223,894
III CHANGE IN OBLIGATION DURING THE YEAR ENDED		
Present Value of Obligations as at the beginning of the year	4,289,116	4,166,829
Interest Cost	343,129	333,346
Current Service Cost	145,930	146,130
Benefits Paid	-	(318,492)
Actuarial (gain)/Loss on obligation	270,910	(38,697)
Present Value of obligations as at the end of the year	5,049,085	4,289,116
IV CHANGE IN ASSETS DURING THE YEAR ENDED		
Fair value of plan assets at the beginning of the year	4,513,010	4,341,002
Expected return on plan assets	395,881	396,456
Contributions	690,025	94,044
Benefits Paid	-	(318,492)
Actuarial (gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of the year	5,598,916	4,513,010
V ACTUARIAL ASSUMPTIONS		
Discount Rate	8.00%	8.00%
Salary Escalation	9.00%	8.00%
Actuarial Valuation of Leave Encashment has not been carried out as Company has paid leaves earned upto 31.03.2014.		
25 Earning Per Share (EPS):		
Basic earning per share is calculated by dividing the net profit for the year attributable to ordinary share holders by the weighted average No. of ordinary shares out standing during the year .		
a) Net Profit available for Equity Shareholder. (Rs.)	2,469,155	3,905,368
(Numerator used for calculation)		

KHANDELWAL EXTRACTIONS LIMITED

b) Number of Equity Shares.	850,100	850,100
(Used as denominator for calculating EPS)		
c) Basic and Diluted earnings per Share of Rs.10/- each. (Rs.)	2.90	4.59

26 Related Party Disclosures:

a) Related Party disclosures as required under Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given below

Key Management Personnel and their relatives :

V.N. Khandelwal	Director (Works/Whole time Director)	Suraj Devi Khandelwal	Relative
Dinesh Khandelwal	Director (Finance& CFO)	Radha Rani Khandelwal	Relative
K.N. Khandelwal	Relative	Kiran Khandelwal	Relative
Sudhir Kumar Khandelwal	Relative	Rajni Khandelwal	Relative
Anil Khandelwal	Relative	Anjana Khandelwal	Relative

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

	2013-14	2012-13
	₹	₹
Directors Sitting Fee	4,000	4,000
Remuneration	2,919,333	2,968,798
Unsecured Loan		
Balance at the beginning of the year	6,725,000	7,940,000
Amount paid during the year	3,400,000	3,590,000
Amount received during the year	4,700,000	2,375,000
Balance at the end of the year	8,025,000	6,725,000
Interest Paid/ credited during the year	882,770	843,290

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

27.1 VALUE OF RAW MATERIALS, STORES & SPARE PARTS ETC. CONSUMED	2013-14	2012-13
	(₹ In Lacs)	(₹ In Lacs)
a. Raw Materials - Ricebran	1305.98	1422.43
i) Imported value % of total consumption	NIL	NIL
ii) Indigenous value % of total consumption	100%	100%
b. Stores and Spare parts etc (Including packing materials)	64.90	65.23
i) Imported value % of total consumption	NIL	NIL
ii) Indigenous value % of total consumption	100%	100%

27.2 OTHER DISCLOSURES

C.I.F. Value of import	NIL	NIL
Expenditure in foreign Currency	NIL	NIL
Remittance in Foreign Currency	NIL	NIL
Earning in Foreign Exchange	NIL	NIL

28 CONTINGENT LIABILITIES:	As At	As At
	31.03.2014	31.03.2013
Claims against the Company not acknowledged as debts.	520,951	520,951

29 Directors have proposed dividend on Preference Shares at the prescribed rate for the year 2013-14.

30 Figures of previous year have been regrouped and recast 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

Phone : +91-512- 2313195 Fax (Office) : 91-512-2318706

ATTENDANCE SLIP

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company to be held on Saturday the, 27th September 2014, at 4.00 P.M at 50 MIG Bunglow W Block Keshav Nagar Kanpur 208014.

.....
 Member's Folio No. Member's/Proxy's name Member's /Proxy's Signature
 In Block Letters

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

KHANDELWAL EXTRACTIONS LIMITED

(CIN:L24241UP1981PLC005282)

Regd. Office: 51/47 NayaGanj, Kanpur-208001 ● E-mail:kelknp@yahoo.com

Website: www.khandelwalextractions .com

Phone : +91-512- 2313195 Fax (Office) : 91-512-2318706

PROXY FORM

Name of the member(s):			
Registered address:			
E-mail ID			
Folio No.			
I/We being the member(s) holdingshares of Khandelwal Extractions Limited hereby appoint:			
1	Name.....	Address.....	Or failing from;
	E-mail id.....	Signature.....	
2	Name.....	Address.....	Or failing from;
	E-mail id.....	Signature.....	
3	Name.....	Address.....	Or failing from;
	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 32nd Annual General Meeting of the Company to be held at **50 MIG W Block Keshav Nagar Kanpur 208014 on Saturday the 27thSept, 2014 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:**

KHANDELWAL EXTRACTIONS LIMITED

Resolution No.	RESOLUTIONS	Optional (✓)	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31 st March, 2014		
2	Approval of dividend for 2013-14 on Preference Shares		
3	Approval and ratification of payment of Dividend on 10% Preference shares matured on 1.3.2014		
4	Re-appointment of Mr. V.N.Khandelwal who retires by rotation.		
5	Appointment of M/s. M/s P.L. Tandon & Company, Chartered Accountants as Auditors and fixing their remuneration.		
Special Business/Ordinary Resolutions			
6	Appointment of Mr. Ashok Gupta as an Independent Director		
7	Appointment of Mr. Atul Bagla as an Independent Director		
8.	Appointment of Mr. Anil Kamthan as an Independent Director		
9	Appointment of Mrs. Rekha Kejriwal as an Independent Director		
Special Business/Special Resolutions			
10	Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs.1000 lacs.		
11	Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 to create security on all or any of Company's asset against borrowing.		
12	Appointment of Mr. Dinesh Khandelwal as Director finance and CFO		
13	Approval for issue of 10.5% Preference Shares for Rs.50 lacs		
14	Approval for alteration of Memorandum of Association of the company		
15	Approval for issue of 12% Preference Shares of Rs. 5 lacs		
		Affix Revenue Stamp of Rs.1/-	

Signed this.....day of September, 2014

Signature of shareholder.....

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

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 32nd Annual General Meeting.

Sharada Graphics (P) Ltd.
Kanpur Phone : 2212323

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