

# KHANDELWAL EXTRACTIONS LIMITED

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## 28th ANNUAL REPORT

2009-2010

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## KHANDELWAL EXTRACTIONS LIMITED

### BOARD OF DIRECTORS

K. N. KHANDELWAL

K. N. KHANDELWAL

DINESH KHANDELWAL

ASHOK GUPTA

ATUL BAGLA

ANIL KAMTHAN

Director (Works)

Director (Finance)

### REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR - 208 001

### WORKS :

AKRAMPUR - MAGARWARA

DISTT. UNNAO (UTTAR PRADESH)

### AUDITORS :

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

### BANKERS :

THE FEDERAL BANK LTD.

### ANNUAL GENERAL MEETING

ON SATURDAY,

THE 18th, SEPTEMBER, 2010

AT 4.00 P.M.

AT THE REGISTERED OFFICE

OF THE COMPANY

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## KHANDELWAL EXTRACTIONS LIMITED

### NOTICE

2NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of Khandelwal Extractions Ltd. will be held at the Registered Office of the Company on Saturday, the 18<sup>th</sup> September, 2010 at 4.00 P. M. to transact the following business:

To receive, consider and adopt the audited Balance Sheet for 31<sup>st</sup> March, 2010 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 of Rs. 10/- 50000 Preference Shares of Series-I and Series-II each and on 12% 30000 Preference Shares of Series-I for financial year 2009-10.
3. To appoint a Director in place of Shri Ashok Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Atul Bagla, 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:

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

"RESOLVED that in partial modification of earlier resolutions passed in the General Meeting dated 28.09.2002 and 30.09.2005 and pursuant to the provisions of Section 314(1) for the time being and as amended from time to time and other applicable provisions of the Companies Act, 1956 and subject to necessary approvals, consent of the Company be and is hereby accorded to Mr. Sudhir Kumar Khandelwal, a relative of Shri K.N. Khandelwal, Shri V.N. Khandelwal and Shri Dinesh Khandelwal Directors of the Company to hold and continue to hold the office or place of the profit in the Company as Vice President (Accounts) w.e.f. 01.10.2009 at a remuneration / perquisites not exceeding Rs. 50,000/- per month or Rs. 6 lacs p.a. in aggregate or maximum permissible under the provisions of Section 314(1) of the Companies Act, 1956 and the Board of directors is also empowered to decide the remuneration within the said limit from time to time and as may be acceptable to the said Mr. Sudhir Kumar Khandelwal.

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

"RESOLVED that in partial modification of earlier resolutions passed in the General Meeting dated 28.09.2002 and 30.09.2005 and pursuant to the provisions of Section 314(1) for the time being and as amended from time to time and other applicable provisions of the Companies Act, 1956 and subject to necessary approvals, consent of the Company be and is hereby accorded to Mr. Anil Khandelwal, a relative of Shri K.N. Khandelwal, Shri V.N. Khandelwal and Shri Dinesh Khandelwal Directors of the Company to hold and continue to hold the office or place of the profit in the Company as Vice President (Commercial) w.e.f. 01.10.2009 at a remuneration / perquisites not exceeding Rs. 50,000/- per month or Rs. 6 lacs p.a. in aggregate or maximum permissible under the provisions of Section 314(1) of the Companies Act, 1956 and the Board of directors is also empowered to decide the remuneration within the said limit from

time to time and as may be acceptable to the said Mr. Anil Khandelwal.

By order of the Board of Directors

(Anil Khandelwal)  
Director (Finance)

Regd. Office  
S/42, Mayapuri, Kanpur  
Dt: 31st July, 2010

#### Notes :

- (a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- (b) 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.
- (c) The Register of the members and Share Transfer books of the Company will remain closed from 11<sup>th</sup> September, 2010 to 18<sup>th</sup> September, 2010 (both days inclusive).
- (d) 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 on 11<sup>th</sup> September, 2010.
- (e) All documents referred to in the accompanying notice / explanatory statement are open for inspection at the Registered Office of the Company from 11<sup>th</sup> September, 2010 to 18<sup>th</sup> September, 2010 on all working days up to the date of the Annual General Meeting.

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

##### ITEM No. 6 & 7

The members of the company in Annual General Meeting held on 28.09.2002 and 30.09.2005 had approved the appointment and remuneration packages payable to Mr. Sudhir Kumar Khandelwal, Vice-President (Accounts) & Mr. Anil Khandelwal Vice-President (Commercial) who are relatives of Shri K.N. Khandelwal, Shri V.N. Khandelwal and Shri Dinesh Khandelwal, Directors of the company. Many a times situation arises for the revision in their remuneration package and keeping this in view it is proposed to empower the Board of Directors to determine the remuneration packages payable to them from time to time on recommendation of Remuneration Committee subject to ceiling of Rs. 50,000/- per month or Rs. 6,00,000/- annual or within the maximum limit as provided in Section 314(1) of the Companies Act, 1956 for the time being force or any statutory modification thereof.

Considering their undeterrent service and devotion to company's affairs since inception, the Board recommends these resolutions for your approval.

Shri K.N.Khandelwal, Shri V.N.Khandelwal and Shri Dinesh Khandelwal being relatives are interested in the said resolutions.

By order of the Board of Directors

(Anil Khandelwal)  
Director (Finance)  
Dt: 31st July, 2010

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## 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, 2010.

### FINANCIAL RESULTS

	2009-10 Rs./Lacs
Sales and Other Income	881.69
Profit before Interest and Depreciation	71.65
Less : Interest	16.63
Depreciation	3.47
Profit before Tax	51.55
Provision for Tax (Including Deferred Tax)	16.24
Profit after tax	35.31
Balance as per last account	29.12
Amount available for appropriations	64.43

### APPROPRIATIONS

Dividend on Preference Shares (including tax)	5.37
Transfer to General Reserve	25.00
Balance carried to Balance Sheet	34.06

### OPERATIONS:

During the year under review, profit before tax was at Rs.51.55 Lacs compared to Rs.34.72 Lacs in previous year. The production during the year was lower at 852 MT compared to 1073 MT in the previous year. Similarly, corresponding to lower production sales and other income was also lower at Rs.881.69 Lacs compared to Rs.1415.55 Lacs in previous year. Low availability of rice bran has an effect on production and sales. Despite severe odds, our company has been able to earn good profit due to lower turnover with increase in other income.

### DIVIDEND:

Your Directors recommend a dividend of Rs.5,36,400/- (including Rs.76,400/- Tax on Dividend) on 5000 Preference Shares of Rs.100/- each of first and second series @ 10% and 30000 Preference Shares of Rs.100/each of Series I @ 12% for the financial year 2009-10.

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

### MANAGEMENT'S PERCEPTION:

The Company's business being agro based is basically full of uncertainties. Last season has been the worst during last decade due to severe draught in nearby locations of company's plant which affected availability of raw materials. Further due to substantial price rise of raw materials, it was not feasible to create a buffer stock of raw material for running the plant in off season starting from April. These factors shall have adverse effect on company's working results of the fiscal 2010-11.

### 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 31.3.2010.

### LISTING OF SHARES

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



## KHANDELWAL EXTRACTIONS LIMITED

### 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. 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:

Two of your Directors namely Mr. Ashok Gupta and Mr. Atul Bagla will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT :

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

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- 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.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

### PERSONNEL:

- Industrial relations remained cordial throughout the year.
- 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 Practising 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 The Federal 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: 29<sup>th</sup> May, 2010

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COMPLIANCE CERTIFICATE

To,  
The Members,  
Khandelwal Extractions Ltd.  
51/47, Navagani, Kanpur-208 001  
CIN-L2422/UP/9/PLC/005282

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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2010 (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 duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, within the time prescribed 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 six times respectively on 15.04.2009, 15.06.2009, 31.07.2009 and 31.10.2009, 30.01.2010 and 15.03.2010 in respect of which meeting proper notices were given and the proceedings were properly reported 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 2009 was held on 26.09.2009 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. Board of Directors made two appointment under section 314 of the Act subject to members approval by special resolution at the annual general meeting to be held.
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 dividend declared in a separate bank account on 20.09.2009 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) 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. Appointment of additional Director made was regularized and form 22 filed with ROC.
15. The Company appointed two whole-time Directors effective from 01.04.09 at the previous annual general meeting held on 26.09.2009 and filed 2 forms 25 C in said connection with ROC on 15.04.2009.
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 Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
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 no 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 the Act relating to deposits 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 unsecured loans.
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 372A of the Act as per information provided to me by the Company. Necessary entries have been made in the Registers 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.
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.



**KHANDELWAL EXTRACTIONS LIMITED**

30. The Company has not altered its articles of association during the financial year.
31. Two letters from ROC office dt. 22.06.2009 and 28.07.2009 were received and the reply by company was submitted on 11.08.2009 and 04.08.2009 as per information provided to me by the company. No prosecution initiated against and no fine or penalties or any other punishment was imposed on the company during the financial year, 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. However the company has deposited Provident Fund with prescribed authorities under The Employees Provident Fund Act.

Place: Kanpur  
Date : 29.05.2010  
For Khandelwal & Company  
G.K. Banthia  
(Proprietor)  
C.P. No. 1405

**Registers as maintained by the Comapny**

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.
8. Register of Loans U/s 372A.
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-A****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 2010.

S.No.	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.	25-C (Two Forms)	269 read with Sch. XIII	Sh. V.N. Khandelwal & Sh. D. Khandelwal as Whole Time Directors	05.10.2009	Yes	N.A.
2.	62	58 A read with companies Acceptance of Deposit Rules, 1975	Return of Deposit	17.06.2009	Yes	N.A.
3.	62	58 A read with companies Acceptance of Deposit Rules, 1975	Statement in lieu of advertisement	24.08.2009	Yes	N.A.
4.	66	383-A	Sec. Compliance Certificate	05.10.2009	Yes	N.A.
5.	23AC/ 23ACA	220	Balance Sheet and P&L Account	06.10.2009	Yes	N.A.
6.	23 B (filed by Auditors)	224	Reappointment of auditors	06.10.2009	Yes	N.A.
7.	32	260	Regularisation of app. of Additional Director at the AGM held on 26.09.2009	06.10.2009	Yes	N.A.
8.	20B	159	Annual Return	17.11.2009	Yes	N.A.
9.	8	125	Modification of charge on assets of company	20.04.2010	Yes	N.A.

Place: Kanpur  
Date : 29.05.2010

For Khandelwal & Company  
G.K. Banthia  
(Proprietor)  
C.P. No. 1405



## KHANDELWAL EXTRACTIONS LIMITED

### AUDITORS' REPORT

#### TO THE MEMBERS OF KHANDELWAL EXTRACTIONS LIMITED

1. We have audited the attached Balance Sheet of KHANDELWAL EXTRACTIONS LIMITED as at 31<sup>st</sup> March, 2010, Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law, have been kept by the company so far as appears from an examination of the books.

- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by the Institute of Cost Accountants of India of the Companies Act, 1956. However liability for leave encashment has been provided on the basis of actual liability determined by the management as on 31.03.2010.
- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clauses (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with notes on accounts give the information required by the Companies Act, 1956 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 31<sup>st</sup> March, 2010.
  - (b) in the case of the Profit & Loss Account 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.

**RAJENDRA GUPTA & CO.**  
Chartered Accountants  
Registration No. 000186C  
(RAJENDRA GUPTA)  
PARTNER  
Membership No. 73250

Place : Kharagpur  
Date : 29-05-2010

### ANNEXURE TO THE AUDITORS' REPORT

Re : KHANDELWAL EXTRACTIONS LIMITED

(Referred to in Paragraph (3) 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.

- II. 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 provisions of paragraph (2) of the Companies (Auditor's Report) Order, 2003 are therefore, not applicable to the Company.



## KHANDELWAL EXTRACTIONS LIMITED

(e) Company had/has taken unsecured loans from thirteen parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum balance involved during the year was Rs.64.70 Lacs and the year end balance was Rs. 49.20 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 stipulation for the repayment in two cases and in twelve cases loans are not due for repayment during the year.

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, no transactions exceeding the value of Rs. five Lacs has been made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956.

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 from other than Public.

VII In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.

VIII The Central Government has not prescribed maintenance of cost records under section 209 (i) (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 31<sup>st</sup> March, 2010 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, Customs Duty, Excise Duty which have not been deposited or accounted for by 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 funded any venture during the year.

XVII According to the information and explanations given to us and on the basis of all examinations 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

Place : Kanpur

Date: 29-03-2010

(RAJENDRA GUPTA)

Member of ICAI

Membership No. 73250

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# KHANDELWAL EXTRACTIONS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

		As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	1	28,00,500	28,00,500
Reserves and Surplus	2	1,80,30,972	1,50,36,958
<b>LOAN FUNDS :</b>			
Secured	3	1,69,80,173	97,38,048
Unsecured		83,95,349	1,01,50,797
DEFERRED TAX LIABILITY (Net)		16,80,550	16,56,221
		<u>5,78,87,544</u>	<u>4,93,82,524</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	2,94,62,078	2,94,14,938
Less : Depreciation		<u>2,00,11,500</u>	<u>1,96,64,844</u>
Net Block		94,50,578	97,50,094
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Investments	5	2,67,79,757	4,09,59,440
Sundry Debtors		1,58,51,122	3,31,14,750
Cash & Bank Balances		9,71,397	5,79,105
Other Current Assets		6,25,446	70,069
Loans & Advances		<u>2,93,09,801</u>	<u>24,03,502</u>
		<u>5,85,84,493</u>	<u>4,98,26,866</u>
Less : Current Liabilities & Provisions	6		
Current Liabilities		96,11,127	96,56,256
Provisions		<u>5,36,400</u>	<u>5,38,180</u>
		<u>1,01,47,527</u>	<u>1,01,94,436</u>
Net Current Assets		<u>4,84,36,966</u>	<u>3,96,32,430</u>
		<u>5,78,87,544</u>	<u>4,93,82,524</u>

### Contingent Liabilities & Notes On Accounts

11

As per our Report attached

For P. L. TANDON & CO.

Chartered Accountants

RAJENDRA GUPTA

Partner

Place : Kanpur

Dated : 29th May, 2010

V. N. KHANDELWAL

Director (Works)

DINESH KHANDELWAL

Director (Finance)

K. N. KHANDELWAL

ATUL BAGLA

ASHOK GUPTA

ANIL KAMTHAN



**KHANDELWAL EXTRACTIONS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

		2009-2010	2008-2009
	Schedule	Rs.	Rs.
<b>INCOME :</b>			
Sales		8,12,51,838	7,96,00,000
Other Income	7	39,07,862	19,44,924
Decrease in (Increase in) Stocks	8	(22,22,319)	(3,28,450)
		<u>8,69,57,169</u>	<u>13,32,31,065</u>
<b>EXPENDITURE :</b>			
Materials	9	5,32,60,416	9,42,80,582
Expenses	10	2,65,32,184	3,29,22,937
Interest		16,63,170	22,08,313
Depreciation		3,46,656	3,47,400
		<u>8,18,02,426</u>	<u>12,97,59,232</u>
Profit before Tax		51,54,743	34,71,833
Provision for Taxation			
Current Tax		16,00,000	11,25,000
Deferred Tax		24,329	8,484
Fringe Benefit Tax		-	10,000
Income Tax For Earlier Year		-	23,862
Profit after Tax		35,30,419	22,98,487
Balance brought forward from previous year.		29,11,958	36,51,651
Amount available for appropriation		<u>64,42,372</u>	<u>59,50,138</u>
<b>APPROPRIATIONS :</b>			
Dividend on Preference Shares		4,60,000	4,60,000
Tax on Dividend		76,400	78,180
Transfer to General Reserve		25,00,000	25,00,000
Balance carried to Balance Sheet		34,05,972	29,11,958
		<u>64,42,372</u>	<u>59,50,138</u>
Notes on Accounts	11		
Basic and Diluted Earnings per share		3.52	2.07

As per our Report attached

For P. L. TANDON &amp; CO.

Chartered Accountants

RAJENDRA GUPTA

Partner

Place : Kanpur

Dated : 29th May, 2010

V. N. KHANDELWAL

Director (Works)

DINESH KHANDELWAL

Director (Finance)

K. N. KHANDELWAL

ATUL BAGLA

ASHOK GUPTA

ANIL KAMTHAN



# KHANDELWAL EXTRACTIONS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

2009-2010

2008-2009

Rs.

Rs.

### A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before tax as per Profit & Loss A/c 10,59,833

Add/(Deduct) for:

Dividend Received

(225)

(13,025)

Interest received

(6,39,250)

(16,33,212)

Loss on sale of Assets

-

150

(Profit)/Loss on sale of Investments(Net)

-

10,59,831

Loss in Trading of Derivatives

1,902,475

Interest

1,663,170

22,08,313

Depreciation

3,46,656

3,13,796

3,47,400

19,69,157

Operating Profit before Working Capital changes

5,468,539

54,40,990

Adjustments for:

Trade Receivable

(22,150,324)

79,61,964

Inventories

14,179,683

2,45,83,346

Trade Payables

2,31,764

(77,38,877)

(1,13,77,288)

2,11,68,022

Cash Generated from Operations

(22,70,338)

2,66,09,012

Adjusted for:

Direct Taxes paid

(14,04,000)

(14,04,000)

(8,59,862)

(8,59,862)

Net Cash from Operating Activities

(36,74,338)

2,57,49,150

### B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets

(47,140)

(35,850)

Loss in Trading of Derivatives

(19,31,475)

Dividend Income

225

13,025

Interest Income

30,07,586

13,49,288

Net Cash from Investing Activities

10,58,196

19,62,177

### C. CASH FLOW FROM FINANCING ACTIVITIES

Proceed from Unsecured Loans

(18,60,000)

20,95,000

Movement in Cash Credit

72,42,125

(2,83,73,839)

Interest paid

(18,35,511)

(14,23,426)

Dividend Paid

(5,38,180)

(1,17,000)

Cash used in Financing Activities

30,08,434

(2,78,19,265)

Net Increase/Decrease in Cash & Cash equivalents(A)+(B)+(C)

3,92,292

(1,07,938)

Opening Balance of Cash & Cash Equivalents

5,79,105

6,87,043

Closing Balance of Cash & Cash Equivalents

9,71,397

5,79,105

As per our Report attached

For P. L. TANDON & CO.

Chartered Accountants

RAJENDRA GUPTA

Partner

Place: Kanpur

Dated : 29th May, 2010

V. N. KHANDELWAL

Director (Works)

DINESH KHANDELWAL

Director (Finance)

K. N. KHANDELWAL

ATUL BAGLA

ASHOK GUPTA

Directors



# KHANDELWAL EXTRACTIONS LIMITED

## SCHEDULE - 1 : SHARE CAPITAL

		As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>AUTHORISED :</b>			
10,00,000	Equity Shares of Rs. 10 each	10,00,000	10,00,000
40,000	Cumulative Redeemable Preference Shares of Rs.100/- each	40,00,000	40,00,000
10,000	12%	10,00,000	10,00,000
		<u>1,50,00,000</u>	<u>1,50,00,000</u>
<b>ISSUED , SUBSCRIBED &amp; PAID UP:</b>			
8,50,100	Equity Shares of Rs. 10 each	85,01,000	85,01,000
	Equity Shares Forfeiture A/c.	2,99,500	2,99,500
		<u>88,00,500</u>	<u>88,00,500</u>
<b>Cumulative Redeemable Preference Shares of Rs.100/- each</b>			
5,000	10% (Series I)	5,00,000	5,00,000
5,000	10% (Series II)	5,00,000	5,00,000
30,000	12% (Series I)	30,00,000	30,00,000
		<u>1,28,00,500</u>	<u>1,28,00,500</u>

### Notes :

- 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 :
  - 10% (Series I)
  - 10% (Series II)
  - 12% (Series I)

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## SCHEDULE - 2 : RESERVES AND SURPLUS

<b>CAPITAL RESERVE :</b>			
	As per last Balance Sheet	11,25,000	11,25,000
<b>GENERAL RESERVE :</b>			
	Balance as per last account	1,00,00,000	75,00,000
	Transferred from Profit and Loss A/c	25,00,000	25,00,000
		<u>1,25,00,000</u>	<u>1,00,00,000</u>
<b>CAPITAL REDEMPTION RESERVE</b>			
	Balance as per last account	10,00,000	10,00,000
<b>PROFIT &amp; LOSS ACCOUNT</b>			
		34,05,972	29,11,958
		<u>1,80,30,972</u>	<u>1,50,36,958</u>

## SCHEDULE - 3 : LOANS

<b>SECURED :</b>			
	Cash Credit Account	1,69,80,173	97,38,048
<b>UNSECURED :</b>			
	From Directors	9,50,000	9,50,000
	Fixed Deposits	70,00,000	88,60,000
	Interest accrued and due	4,45,349	3,40,797
		<u>83,95,349</u>	<u>1,01,50,797</u>

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# KHANDELWAL EXTRACTIONS LIMITED

## SCHEDULE - 4 : FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 31.03.09	Additions	Deduction	As at 31.03.10	For the year	Deduction	Upto 31.03.10	As at 31.03.09	As at 31.03.10
Free hold Land	546002	-	-	546002	-	-	-	546002	546002
Buildings	10301014	-	-	10301014	202829	-	3079189	7011825	7224654
Plant & Machinery	17658363	47140	-	17705503	62399	-	16129466	1576037	1591296
Furnitures & Fixtures	157128	-	-	157128	9947	-	145857	11271	21218
Vehicles	752431	-	-	752431	71481	-	456988	295443	366924
	29414938	47140	-	29462078	346656	-	20011500	9450578	9750094
Previous Year's figures	29382088	35850	3000	29414938	347400	2850	19664844	9750094	-

## SCHEDULE - 5 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>A. INVENTORIES :</b>		
(Stocks as valued and certified by a Director)		
Stores & Spares	11,25,809	14,56,509
Raw Materials	82,08,031	2,08,44,783
Finished Goods	1,74,45,917	1,86,58,148
	<u>2,67,79,757</u>	<u>4,09,59,440</u>
<b>B. SUNDRY DEBTORS :</b>		
Debits when due considered good		
Exceeding six months	-	-
Others	8,88,092	58,14,750
	<u>8,88,092</u>	<u>58,14,750</u>
<b>C. CASH AND BANK BALANCES :</b>		
Cash in hand	1,13,318	1,29,105
Balances with Scheduled Banks		
in Current Accounts	23,079	-
in Fixed Deposit	8,35,000	4,50,000
	<u>9,71,397</u>	<u>5,79,105</u>
<b>D. OTHER CURRENT ASSETS :</b>		
Interest accrued but not due on deposit	6,35,446	70,069
	<u>6,35,446</u>	<u>70,069</u>



# KHANDELWAL EXTRACTIONS LIMITED

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>E. LOANS AND ADVANCES :</b>		
(Unsecured considered good)		
Loans	2,60,00,000	-
Advances recoverable in cash or in kind for value to be received	2,12,34,000	-
VAT Recoverable A/c	19,04,016	15,88,810
Income Tax advance and Tax deducted at source (Net of Provision)	6,71,463	2,76,769
Prepaid expenses	26,940	-
Claims recoverable	-	36,700
Deposits	4,06,811	4,06,811
	<u>2,93,09,801</u>	<u>24,03,502</u>
	<u>5,85,84,493</u>	<u>4,98,26,866</u>

## SCHEDULE - 6 : CURRENT LIABILITIES AND PROVISIONS

### CURRENT LIABILITIES :

Sundry Creditors	95,36,919	82,18,512
Other Liabilities	74,208	41,392
Temporary Book Overdraft	-	13,96,352

### PROVISIONS :

Proposed Dividend	4,60,000	4,60,000
Dividend Tax	76,400	78,180
	<u>1,01,47,527</u>	<u>1,01,94,436</u>

	2009-10 Rs.	2008-09 Rs.
<b>SCHEDULE - 7 : OTHER INCOME</b>		
Dividend Received	225	13,025
Interest Received (Tax deducted at source Rs. 590694/-)	35,96,280	16,33,512
Prior year Rs. 1,63,767/-	-	-
Sundry Balances written back (Net)	-	2,376
Misc. Income	3,09,357	2,96,010
	<u>39,07,862</u>	<u>19,44,923</u>

## SCHEDULE - 8 : INCREASE/(DECREASE) IN FINISHED GOODS STOCK :

Stocks at commencement	1,86,58,148	2,69,81,598
Stocks at close	1,74,45,917	1,86,58,148
	<u>(12,12,231)</u>	<u>(83,23,450)</u>

## SCHEDULE - 9 : MATERIALS

Opening Stock	2,08,44,783	3,75,98,996
Add : Purchases	3,51,30,060	6,61,57,661
	<u>5,59,74,843</u>	<u>10,37,56,657</u>
Less : Closing Stock	82,08,031	2,08,44,783
Consumption	4,77,66,812	8,29,11,874
Add : Purchases (Trading)	54,93,604	1,13,68,708
	<u>5,32,60,416</u>	<u>9,42,80,582</u>

## SCHEDULE - 10 : EXPENSES

<b>1. Payments to and Provisions for Employees :</b>		
Salaries, Wages & Bonus etc.	4,15,778	4,15,778
Contribution to Employees' Provident & other Funds	12,19,355	6,20,386
Staff Welfare Expenses	41,163	30,944



# KHANDELWAL EXTRACTIONS LIMITED

2. Manufacturing & Other Expenses :	Rs.	Rs.
Stores, Spares etc.	24,35,174	43,97,864
Power & Fuel	42,82,933	67,02,420
Insurance	1,91,874	2,29,291
Repairs to Machinery	8,16,540	8,41,447
Repairs to Buildings	1,00,000	1,00,000
Handling Charges	11,92,115	17,97,935
Rent	30,000	40,908
Rates & Taxes	35,974	15,600
Loss on Sale of Assets	-	150
Loss on Sale of Investment	-	1,87,462
Loss in Trading of Derivatives	19,02,475	-
Directors fee	27,000	11,000
Auditors Remuneration :		
- Audit Fee	9,927	9,927
- Tax Audit Fee	2,206	2,206
- Others	3,309	3,371
Misc. Expenses	9,86,324	11,56,861
Freight & Handling Outward	80,93,337	1,23,09,429
Commission & Brokerage	1,21,562	2,32,050
	<b>2,65,32,184</b>	<b>3,29,22,937</b>

## SCHEDULE - 11 : NOTES ON ACCOUNTS

SCHEDULE - 11 : NOTES ON ACCOUNTS

As at  
31.03.2010  
Rs.

As at  
31.03.2009  
Rs.

**A. Contingent Liabilities :**  
 Claims against the company not acknowledged as debts.  
 Income Tax under dispute (matter pending in appeal)  
 (Amount paid Rs. 186721 and shown under loans and advances)

Rs.  
1,86,721

Rs.  
1,86,721

**NOTES:**  
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1. The computation of Net Profits for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 has not been enumerated as no commission has been paid/provided. Directors have been paid Fixed monthly remuneration as under :

2009-10

2008-09

Rs.

Rs.

Salaries

8,40,000

7,08,000

Perquisites

5,38,833

3,68,160

(excluding contribution to gratuity fund and leave encashment)

2. Disclosure of Sundry Creditors based on the information available with Company regarding Status of the suppliers as defined under 'Micro, Small and Medium Enterprises Development Act, 2006'. Amount outstanding for more than 45 days is NIL.

3. Related Parties Disclosures:

(a) Key Management Personnel & Relatives

V. N. Khandelwal

Director ( Works )

Rohit Khandelwal

Relative

Dinesh Khandelwal

Director ( Finance )

Suraj Devi Khandelwal

Relative

K.N. Khandelwal

Relative

Radha Rani Khandelwal

Relative

Sudhir Kumar Khandelwal

Relative

Kiran Khandelwal

Relative

Anil Khandelwal

Relative

Rajni Khandelwal

Relative

Anjana Khandelwal

Relative

(b) Details of transactions with persons referred above :

2009-10

2008-09

Rs.

Rs.

(i.) Remuneration

23,27,804

16,46,000

(ii.) Interest on Unsecured Loans/Deposits

8,19,631

7,05,240

(iii.) Directors' Fee

7,000

5,000

(c) Outstandings as at the year end

Loans

53,65,349

66,70,797

(d) The Unsecured Loans include Rs. 49,56,349/- including interest Rs. 44,30,000/- due to Directors  
 (e) Liabilities include Rs. 20,55,143/- (Previous Year Rs. 15,50,443/-) due to Directors



# KHANDELWAL EXTRACTIONS LIMITED

4. The major components of the net Deferred tax Liability to the extent recognized and outstanding were as under :-

	31.03.2010	31.03.2009
	Rs.	Rs.
Deferred Tax Liability		
Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax	17,75,320	17,75,320
Deferred Tax Assets		
Items under the Income Tax Act which will be allowed on actual payment	94,780	97,264
Net Deferred Tax Liability	16,80,540	16,78,056

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5. Earnings per share has been computed as under :-

	31.03.2010	31.03.2009
(a) Profit after Taxation	35,30,414	22,98,486
(b) Preference dividend and tax thereon	5,36,400	5,38,180
(c) Profit available to Equity Shareholders	29,94,014	17,60,306
(d) No. of ordinary shares outstanding	8,50,100	8,50,100
(e) Earnings Per Share of Face value Rs. 10	3.52	2.07

6. Figures of previous year have been regrouped and recast to conform to the layout of the accounts for the current year.  
7. Schedule 1 to 11 along-with Accounting Policies form an integral part of the accounts and have been duly authenticated.  
C. INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

D.		1. Licensed/Registered Capacity		2. Installed Capacity		3. Production/Turnover and Stocks:		4. Class of Goods	
		Not Applicable		45,000 M.T. Ricebran/Oil Cake					
	Opening Stock	Production	Purchases	Turnover	Closing Stock				
	MT	Rs/Lacs	MT	Rs/Lacs	MT	Rs/Lacs	MT	Rs/Lacs	MT
OILS	205	54.85	968	-	975	306.82	198	51.75	
DEOILED MEALS	260	96.49	1812	27	11.59	1894	687.92	205	54.85
	3529	131.73	5883	719	36.04	8054	535.80	2077	103.82
TRADED GOODS	4707	173.33	9931	2396	102.10	13501	708.18	3529	131.73
				62	18.89			62	18.89

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	2009-10	2008-09
Value of imports on CIF basis	NIL	NIL
Earnings in Foreign Exchange (FOB Value)	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Amount of money remitted in Foreign Currency	NIL	NIL
Raw Material Consumed:		
Ricebran - Quantity (MT)		
Value (Rs./Lacs)	6,848	11,732
Raw Materials and Stores etc. consumed	477.67	829.12
	All Indigenous	All Indigenous

- ACCOUNTING POLICIES:
- BASIS OF ACCOUNTING:** The accounts are prepared under the historical cost convention in accordance with applicable mandatory accounting standard and mercantile system of accounting is followed for recognition of Income and Expenses
  - VALUATION:** (i) Fixed Assets are shown at cost.  
(ii) Inventories of stores, spares and raw materials are valued at cost. Finished goods are valued at lower of cost and net realisable value. Cost of Raw material is determined on seasonal average cost and cost of finished goods is determined on yearly average cost.  
(iii) Long term investments are stated at cost less provision for diminution in value other than temporary, if any. Current investment are stated at lower of cost or fair market value.
  - 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.
  - TURNOVER:** Turnover includes freight and handling outwards but is net of goods returned, rebates and discounts.
  - EMPLOYEE BENEFITS:** Salaries, wages & house rent allowances are accounted for on accrual basis. Liability for employees' gratuity is accounted for on the basis of contribution determined by L.I.C. under their Group Gratuity Cash Accumulation Scheme. Leave encashment is accounted on the basis of actual liability determined by management as at close of the year.
  - Prepaid expenses are proportionately accounted for on time basis in respect of insurance premium.
  - 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 per our Report attached  
For P. L. TANDON & CO.  
Chartered Accountants  
RAJENDRA GUPTA  
Partner  
Place : Kanpur  
Dated : 29th May, 2010

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

K. N. KHANDELWAL  
ATUL BAGLA  
ANIL KAMTHAN  
Directors

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## KHANDELWAL EXTRACTIONS LIMITED

### Balance Sheet Abstract and Company's General Business Profile

Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956

### 1. Registration Details

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**2. Capital raised during the year**

(Rs. 000)

Private allotment						N	I	L	Rights Issue						N	I	L
-------------------	--	--	--	--	--	---	---	---	--------------	--	--	--	--	--	---	---	---

Bonus Issue					N	I	L	FCD Conversion						N	I	L
-------------	--	--	--	--	---	---	---	----------------	--	--	--	--	--	---	---	---

### 3. Position of Mobilisation and Deployment of Funds

Total Liabilities					5	7	8	8	7	Total Assets					5	7	8	8	7
-------------------	--	--	--	--	---	---	---	---	---	--------------	--	--	--	--	---	---	---	---	---

### Sources of Funds

Paid-up Capital				1	2	8	0	0	Reserves & Surplus				1	8	0	3	1
-----------------	--	--	--	---	---	---	---	---	--------------------	--	--	--	---	---	---	---	---

Secured Loans				1	6	9	8	0	Unsecured Loans*				1	0	0	7	6
---------------	--	--	--	---	---	---	---	---	------------------	--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets				9	4	5	0	Investments					NIL
------------------	--	--	--	---	---	---	---	-------------	--	--	--	--	-----

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Accumulated Losses					NIL
--------------------	--	--	--	--	-----

#### 4. Performance of Company

Turnover					8	6	9	5	7	Total Expenditure					8	1	8	0	2
----------	--	--	--	--	---	---	---	---	---	-------------------	--	--	--	--	---	---	---	---	---

Profit Before Tax					5	1	5	5	Profit After Tax					3	5	3	0
-------------------	--	--	--	--	---	---	---	---	------------------	--	--	--	--	---	---	---	---

Earning per Share in Rs. 

	4
--	---

 Dividend Rate% 

N	I	L
---	---	---

**5. Generic Names of Three Principal Products/Services of the Company (As per monetary Terms)**

[illegible][illegible][illegible]

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\* Includes deferred tax liability.

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**KHANDELWAL EXTRACTIONS LIMITED**

**PROXY FORM**

**KHANDELWAL EXTRACTIONS LIMITED**

Registered Office : 51/47, Nayaganj, Kanpur - 208 001

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Reg. Folio No.	
No. of Shares held	

I/We .....  
Being member(s) of Khandelwal Extractions Limited  
hereby appoint ..... of .....  
or failing which.....  
as my/our proxy to vote for me/us and on my/our behalf at the 28th ANNUAL GENERAL MEETING of the  
company to be held on Saturday, 18th September, 2010 at 4:00 p.m. at Registered Office.  
Signed this ..... day of ..... 2010  
Signature .....

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**KHANDELWAL EXTRACTIONS LIMITED**

Registered Office : 51/47, Nayaganj, Kanpur-208 001

**ATTENDANCE SLIP**

Annual General Meeting, Saturday, 18th September, 2010

Reg. Folio No.	
No. of Shares held	

Mr./Ms.

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.  
I hereby record my presence at the ANNUAL GENERAL MEETING of the company to be held on  
Saturday, 18th September, 2010 at 4.00 p.m. at Registered Office.

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Note : Please fill in the attendance slip and hand it over at the entrance of the meeting room.