

KHANDELWAL EXTRACTIONS LTD.

51/47 , NAYAGANJ,
KANPUR-208001
Phones: 2313195, 2319610
Mobile No.: 09415330630
Email Id : kelknp@yahoo.com
Website: www.khandelwalextractions.com
CIN : L24241UP1981PLC005282

Ref. No. HO/SECY/16-17/33/

28th September, 2016

To,
The Listing Manager
BSE Ltd.
The Department of Corporate Services
PJ Towers, Dalal Street
MUMBAI -400001

Listing Centre: listing.bseindia.com

Sub: Annual Report for the Financial Year 2015-16


Dear Sir/Ma'am,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the F.Y. 2015-16, approved and adopted in the 34th Annual General Meeting of the Company held on Saturday, 24th September, 2016 at 4:00 PM at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur-208014.

Kindly take the same on your records.

Thanking You.

Yours faithfully,
For Khandelwal Extractions Limited



Surabhi Pasari
(Company Secretary)
ACS: 38694

KHANDELWAL EXTRACTIONS LIMITED



34th ANNUAL REPORT
2015-2016

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

COMPANY SECRETARY

SURABHI PASARI

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 34th Annual General Meeting of Khandelwal Extractions Ltd. will be held at 50 MIG Bungalow, W Block, Keshav Nagar Kanpur- 208014 on Saturday, the 24th September, 2016 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and Report of the Board of Directors and Auditors' thereon.
2. 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.
3. **Appointment of Auditors**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s P.L. Tandon & Co, Chartered Accountants, Kanpur (ICAI Registration No. 000186C), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting at such remuneration as fixed by the Board of Directors of the Company."

The retiring Auditors, M/s P.L. Tandon & Co, Chartered Accountants, Kanpur (ICAI Registration NO. 000186C), are eligible for re-appointment in terms of Section 141 of The Companies Act, 2013.

SPECIAL BUSINESS

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

As Special Resolution:

4. **"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 of The Companies Act, 2013 and any other applicable provisions, if any and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force read with Schedule V to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh Khandelwal (DIN: 00161831) designated as Director (Finance) & CFO, not liable to retire by rotation except for compliance of section 152 (6) of the Companies Act, 2013, for three (3) years with effect from 01.04.2017, on the terms and conditions as recommended by Nomination and Remuneration Committee and as contained in the Explanatory Statement attached to the notice.

By order of the Board of Directors

Regd. Office: **(SURABHI PASARI)**
51/47, Nayaganj, Kanpur – 208 001 **COMPANY SECRETARY**
Dated : 8th August, 2016

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy form is annexed herewith. Proxies submitted on behalf of the Companies must be supported by an appropriate resolution/authority as applicable.
- b) The Register of the members and Share Transfer books of the Company will remain closed from 18th September, 2016 to 24th September, 2016 (both days inclusive).
- c) All documents referred to in the accompanying notice are open for inspection at the Registered Office of Company between 2:00 P.M. to 4:00 P.M. on all working days except Saturday up to the date of Annual General Meeting.
- d) The particulars of Mr. V.N. Khandelwal, Director proposed to be reappointed by rotation, are given as under:
Mr. V.N. Khandelwal, aged 68 years, (DIN 00161893) presently Director Works in the capacity of Whole time Director (appointed by members in the 31st Annual General Meeting for 5 years i.e. till 31st March, 2019) is one of the promoter directors and is associated with the Company since inception and having an experience of 35 years in

managing the solvent extraction plant. He has been devoting full time and 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 reappointment is in the interest of the Company. He holds 29650 equity shares in the Company.

No Director and Key Managerial Personnel, except Mr. K N Khandelwal, Mr. Dinesh Khandelwal, being relative of Mr. V.N. Khandelwal, is concerned and interested in the resolution.

- e) Member's cooperation is 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).**
- f) In terms of Section 108 of the Companies Act 2013 read with relevant applicable rules and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made arrangement of e-voting through CDSL. Members have option to cast their vote by using electronic voting system from a place other than the venue of the meeting (remote e-voting). Members who wish to cast the vote at AGM shall be provided a Ballot to cast their vote. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast/change their vote again in the meeting.
- g) The Company has appointed M/s. Banthia & Co. (Prop. Mr. G.K. Banthia) of Kanpur, Practicing Company Secretaries (C.P. No. 1405) as the Scrutinizer for conducting the e-voting and polling process in fair and transparent manner who have consented to be available for the same.
- h) The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e 18th September, 2016. 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.
- i) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.khandelwalextractions.com and on the website of CDSL. The results will simultaneously be communicated to the Stock Exchange(s).
- j) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e September 24, 2016.
- k) A copy of this notice has been placed on the website of the Company and on the website of CDSL.

Instructions for the voting through electronic means.

- (i) The voting period begins on 21st September, 2016 (10:00 am) and ends on 23rd September, 2016 (5:00 p.m). During this period shareholders' of the Company, holding shares as on the cut-off date of 18th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now enter your User ID: Members should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are a first time user follow the steps given below:

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 enter 10 digits sequence number printed on address label pasted on cover page of Annual Report
DOB OR Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY) as recorded with the Company in order to login.
OR	If both the details are not recorded with the Company please enter the Folio number in Dividend Bank details field.

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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members will then directly reach the Company selection screen.
- (ix) The details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for M/s. Khandelwal Extractions Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvii) **Note for Non – Individual Shareholders and Custodians.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Any person, who acquires shares of the Company and become the members after dispatch of the Notice and hold shares as on the cut off date i.e 18th September, 2016 may follow the same instructions as mentioned above for E-voting.
- (xix) In case if you have any queries or issues regarding e-voting, you may refer the Frequently Asked questions ("FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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

Item No. 4

In the AGM held on 27th September 2014, the members have consented for appointment of Mr. Dinesh Khandelwal as Director –Finance and CFO for three (3) years with effect from 01.04.2014. The Board on the basis of recommendation of Nomination and Remuneration Committee has re-appointed him as Director (Finance) & CFO for another period of three (3)

years w.e.f 01.04.2017 on the remuneration package which is within 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.55000/- per month in the scale of Rs. 55000-2500-60000. Performance Linked Incentive: As may be decided by the Board on the recommendation of Nomination & Remuneration Committee.

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.

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, aged 63 years, (DIN: 00161831) a commerce graduate, carries 35 years of experience in dealing with Company's finances, banking and commercial functions and he is associated with the Company since inception i.e. 24.04.1981. He holds 42000 equity shares in the Company. The remuneration paid to him in 2015-16 is given in Form No. MGT-9. 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. 4 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, are concerned and interested in the resolution

DIRECTOR'S REPORT

To Dear Members,

Your Directors have pleasure in presenting Company's 34th Annual Report and Audited Financial Statements for the financial year ended March 31st, 2016.

1 FINANCIAL RESULTS

	(Rs. in Lacs)
Sales and other Income	1049.34
Profit before Interest and Depreciation	19.68
Less: Interest	26.85
Depreciation	3.64
Tax Expenses(including Deferred Tax)	(3.19)
Loss after tax	7.62
Balance as per last account	83.96
Amount available for Appropriations	76.34
Dividend on Preference Shares(including Tax)	-
Balance carried to Balance Sheet	76.34

2. HIGHLIGHTS OF PERFORMANCE

During the year under review, the Company achieved turnover of

Rs. 1049.34 lacs and recorded Profit before interest and depreciation of Rs. 19.68 lacs as against loss of Rs. 12.17 lacs in the previous year. Loss after adjustment of tax at Rs. 7.62 lacs is lower compared to Rs. 33.66 lacs in the previous year.

Second consecutive draught played havoc and industry utilization slipped to a state of un-remunerative running of the plant due to non availability of raw material. Despite all these odds, the management could restrict the losses. Considering all these factors and industry scenario your Directors are of the view that the performance of your Company is satisfactory.

3. DIVIDEND

Due to losses during the year, dividend on Equity Shares is not recommended. As per advice of experts and also considering liquidity constraints, the Directors have decided not to recommend the dividend on Cumulative Redeemable Preference Shares for the financial year

KHANDELWAL EXTRACTIONS LIMITED

2015-16 out of past accumulated profits. The dividend on Cumulative Preference Shares is kept in arrears for 2014-15 and 2015-16.

4. SHARE CAPITAL

The Company's Authorized Capital remains unchanged at Rs. 200 Lacs. The Paid up Equity Share Capital and Preference Share Capital of the Company as on the date of Balance Sheet stands unchanged at Rs. 85,01,000 and Rs. 40,00,000 respectively.

5. FIXED DEPOSITS

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

6. SUBSIDIARIES

Your Company does not have any subsidiary within the meaning of the Companies Act, 2013

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Mr. Ashok Gupta (DIN 00135288), Mr. Atul Bagla (DIN: 00159563), Mr. Anil Kamthan (DIN: 00159819) and Mrs. Rekha Kejriwal (DIN: 06889864), continue on the Board as Independent Directors. The tenure of Mr. Dinesh Khandelwal designated as Director (Finance) and CFO, who was appointed for three (3) years w.e.f 1st April, 2014 will expire on 31st March 2017. The Board on the recommendation of Nomination and Remuneration Committee has reappointed him as Director (Finance) & CFO for three (3) years period from 01.04.2017 on the remuneration detailed in the notice of AGM, subject to approval by members in the general meeting. His particulars are given in the Explanatory Statement attached to the notice. Mrs. Liza Arora, Company Secretary, has resigned from the office w.e.f 05th October, 2015 and Ms. Surabhi Pasari, a qualified Company Secretary has been appointed as Company Secretary and Compliance Officer to fill the vacancy w.e.f 10th February, 2016. Mr. V.N. Khandelwal (DIN: 00161893) is liable to retire by rotation and being eligible offers himself for re-appointment. His particulars are given in the notice of AGM. Your Directors recommend the resolutions of re-appointment of Mr. Dinesh Khandelwal and Mr. V.N. Khandelwal for your approval.

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

8. BOARD EVALUATION

In terms of Schedule IV to the Companies Act, 2013 Board has carried out an annual performance evaluation of all its Independent Directors and the Independent Directors evaluated the performance of Chairman and Non Independent Directors. As per Section 178(2) of The Companies Act, 2013, the Nomination and Remuneration Committee carried out evaluation of every Director on the basis of self-appraisal and expressed their satisfactory performance to the Board. The Board also evaluated the functioning/performance of various Committee of Directors and expressed their satisfaction with their functioning / performance.

9. REMUNERATION POLICY

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

The Nomination and Remuneration Committee is vested with powers to determine yearly increments/salary increase of Executive Directors/ KMPs and one level below based on their performance and contribution towards profitability and

sustainability of company. Non Executive Directors are paid only sitting fee which is decided by Nomination & Remuneration Committee.

10. RISK MANAGEMENT POLICY

The Company has formulated the Risk Management Policy in accordance with the Companies Act, 2013 which is reviewed by the Board from time to time. The Company has identified the External/Internal Risks which may impact the operations of the business/Company. The Company's unit being agro based and its products are subject to wild price fluctuations. The availability of raw material is dependent upon monsoon. Global conditions and Government policy also play important role in regulating the prices of Company's end products and consequently affect the Company's profitability. Executive Management keeps a close watch on these external risk factors while taking decisions relating to operations. The management has taken all possible measures to cover up and minimize the internal risks such as business, financial, human, environment and statutory compliance.

11. INTERNAL CONTROL SYSTEM

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

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

12. INTERNAL FINANCE CONTROLS

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

13. WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and the provisions of Section 188 of The Companies Act, 2013 are not attracted. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 was not required. Details of Transactions made are disclosed in financial statements.

15. AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report which requires any clarification or explanation.

16. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of The Companies Act, 2013 and the Rules made there under, M/s. Banthia & Co, Practicing Company Secretary (C P No. 1405), Kanpur, has been

KHANDELWAL EXTRACTIONS LIMITED

appointed to conduct the Secretarial Audit of the Company. The Practicing Company Secretary has submitted his Report on the secretarial audit which is annexed to this Board's Report.

17. STATUTORY AUDITORS

M/s. P.L. Tandon & Co., Kanpur, Chartered Accountants, (ICAI Registration No 000186C), will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment as Auditors of the Company.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the same period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate and are operating effectively.

19. MATERIAL CHANGES AND COMMITMENTS

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

20. STATUTORY DISCLOSURES:

i. CORPORATE GOVERNANCE

The Company is exempted from compliance of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

ii. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as required under Section 134 (3) (a) of the Companies Act, 2013 is annexed hereto as Annexure.

iii. MEETINGS OF THE BOARD AND COMMITTEE HELD DURING THE YEAR

- a. The Board of Directors met four times during the year on 26.05.2015, 28.07.2015, 30.10.2015 and 10.02.2016. All the Directors were present in all the meetings.
- b. The Audit Committee formed under Section of 177 of Companies Act 2013, consisting of Mr. Ashok Gupta, Chairman; Mr. Atul Bagla and Mr. K. N Khandelwal met four times during the year on 26.05.2015, 28.07.2015, 30.10.2015 and 10.02.2016 All the Directors were present in all the meetings.
- c. During the year, Nomination and Remuneration Committee consisting of Mr. Ashok Gupta, Chairman; Mr. Atul Bagla, Mr. Anil Kamthan and Mr. K. N Khandelwal met two times during the year on 26.05.2015 and 10.02.2016. All the members were present in both the meetings.
- d. The Stake Holders Relationship Committee consisting of Mr. Anil Kamthan, Chairman; Mr. K. N Khandelwal and Mr. Dinesh Khandelwal met once on 31.03.2016 and noted that only two complaints were received from the shareholders during the year on account of non-receipt of Annual Report

for the financial year 2014-15 which were duly addressed.

- e. Independent Directors held a meeting on 10.02.2016 to assess /evaluate the performance of Chairman and Non Independent Directors and concluded their satisfaction on their performances.

iv. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is not applicable to the company.

v. DISCLOSURE UNDER SECTION 186: LOANS AND INVESTMENTS

Loans and investments were made for deployment of surplus funds which are within the limits as prescribed u/s 186 of the Companies Act, 2013. Details are given in financial statement.

vi. CONSERVATION OF ENERGY

Information required in "Form A" is not being given as our unit does not fall under specified industry mentioned in the relevant schedule.

vii. TECHNOLOGY ABSORPTION

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

viii. IMPORTS / EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no import/export and no foreign exchange earnings and outgo incurred during the year under review.

ix. REMUNERATION PAID TO EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL

Details of remuneration paid to Directors, KMPs are given in Form No. MGT-9. Further, details as required under Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with section 197(12) of the Act, is given in **Annexure A**. Executive directors have been paid minimum remuneration as approved by the Shareholders. Non-executive Directors have been paid only sitting fees. During the year no increments were given to Executive Directors and person one rank below considering Company's poor performance during last year.

- x. There was no employee getting salary in excess of the limit as specified under Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with section 197(12) of the Act, throughout or part of the year under review.

xi. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION) PROHIBITION AND REDRESSAL ACT, 2013

No complaint has been received under the aforesaid Act during the year under reference.

21. ENVIRONMENT AND SAFETY

The Company being conscious of the importance of making the environment clean and safe has taken all necessary steps for making the environment clean and all approvals under pollution Control Act/Factories Act/Explosive Licenses/Fire and Safety Rules/other licenses when and where necessary are in place.

22. LISTING OF EQUITY SHARES

The equity shares continue to be listed with BSE. The Listing fee for the year 2015-16 is duly paid. As per Regulation 109(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a fresh listing agreement has been executed with BSE Ltd.

23. ACKNOWLEDGMENTS

Your Directors thank Customers, Vendors, employees and all the Stakeholders for their continued support to your Company's performance and growth.

FOR AND ON BEHALF OF THE BOARD

K N KHANDELWAL
(CHAIRMAN)

Place: Kanpur

Date : 08th August, 2016

KHANDELWAL EXTRACTIONS LIMITED

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2016

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Khandelwal Extractions Ltd. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Khandelwal Extractions Ltd. for the financial year ended on 31ST March, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable during the Audit Period)**.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the Audit Period)**.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; **(Not applicable during the Audit Period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the Audit Period)**
- (6) I further report that reliance has been placed on the management representation on compliance with other laws; there is no specific Law applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement (LODR) entered into by the Company with the Bombay Stock Exchange Limited.
(UP Stock Exchange ceased to be a recognized Stock Exchange in June 2015, accordingly Listing Agreement with said Exchange also ceased)

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

I have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the

Company.

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

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

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

I further report that during the audit period, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. during the period under review except:

(a) The UPSE, the stock exchange where the shares were also Listed, ceased to be a recognized exchange in June 2015, accordingly the Listing Agreement with said exchange ceased. The shares of Company continue to be listed at BSE.

Place: Kanpur
Date: 08th August, 2016

Signature
Banthia And Company

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

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

Annexure-A

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

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

1. It is the responsibility of the management of the company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all the applicable laws and to ensure that the systems are adequate and operate effectively.

2. Our responsibility is to express an opinion on these secretarial records based on our audit.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of finance records and Books of Accounts of the company.

5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

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

Place: Kanpur
Date: 08th August, 2016

Signature
Banthia And Company

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

KHANDELWAL EXTRACTIONS LIMITED

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L24241UP1981PLC005282
2	Registration Date	24.04.1981
3	Name of the Company	M/S. KHANDELWAL EXTRACTIONS LIMITED
4	Category/Sub-category of the Company	
5	Address of the Registered office & contact details	51/47, NAYAGANJ, KANPUR-208001
6	Whether listed company	LISTED (BSE)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NO

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)-SOLVENT EXTRACTIONS PLANT			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE BRAN OIL		40.79
2	DEOILED RICE BRAN		59.21
			100.00

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]			% Change during the year
	Demat	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters								
(1) Indian								
a) Individual/ HUF		326,000	326,000	38.35%	326,000	326,000	38.35%	0.00%
b) Central Govt			-	-			-	-
c) State Govt(s)			-	-			-	-
d) Bodies Corp.			-	-			-	-
e) Banks / FI			-	-			-	-
f) Any other			-	-			-	-
Sub Total (A) (1)	-	326,000	326,000	38.35%	326,000	326,000	38.35%	0.00%
(2) Foreign								
a) NRI Individuals			-	-			-	-
b) Other Individuals			-	-			-	-
c) Bodies Corp.			-	-			-	-
d) Any other			-	-			-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-
TOTAL (A)	-	326,000	326,000	38.35%	326,000	326,000	38.35%	0.00%
B. Public Shareholding								

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1. Institutions									
a) Mutual Funds			-	-			-	-	-
b) Banks / FI			-	-			-	-	-
c) Central Govt			-	-			-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies			-	-			-	-	-
g) FIs			-	-			-	-	-
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (specify)			-	-			-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		7,100	7,100	0.84%	6,600	6,600	0.78%		-0.06%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh		345,600	345,600	40.65%	346,100	346,100	40.71%		0.06%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		-	-	0.00%	-	-	0.00%		0.00%
c) Others (specify)									
Non Resident Indians		171,400	171,400	20.16%	171,400	171,400	20.16%		0.00%
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	-	524,100	524,100	61.65%	524,100	524,100	61.65%		0.00%
Total Public (B)	-	524,100	524,100	61.65%	524,100	524,100	61.65%		0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	850,100	850,100	100.00%	850,100	850,100	100.00%		-

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anil Khandelwal	33300	3.92%	33300	3.92%	NIL	-
2	Abodh Khandelwal	4500	0.53%	4500	0.53%	NIL	-
3	Anjana Khandelwal	14950	1.76%	14950	1.76%	NIL	-
4	Dinesh Khandelwal	42000	4.94%	42000	4.94%	NIL	-
5	Eti Khandelwal	12800	1.51%	12800	1.51%	NIL	-
6	Kailash Nath Khandelwal	35000	4.12%	35000	4.12%	NIL	-
7	Kiran Khandelwal	10000	1.18%	10000	1.18%	NIL	-
8	Krishna Khandelwal	1400	0.16%	1400	0.16%	NIL	-
9	Radha Rani Khandelwal	16300	1.92%	22300	2.62%	NIL	0.71%

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10	Rajni Khandelwal	9200	1.08%	9200	1.08%	NIL	-
11	Ruchi Gupta	5250	0.62%	5250	0.62%	NIL	-
12	Rohit Khandelwal	19600	2.31%	19600	2.31%	NIL	-
13	Sudhir Kumar Khandelwal	23250	2.73%	23250	2.73%	NIL	-
14	Suraj Devi Khandelwal	30350	3.57%	0	0.00%	NIL	-3.57%
15	Shruti Khandelwal	12700	1.49%	12700	1.49%	NIL	-
16	Nibha Khandelwal	6000	0.71%	0	0.00%	NIL	-0.71%
17	Vishwa Nath Khandelwal	29650	3.49%	29650	3.49%	NIL	-
18	Vinita Khandelwal	5500	0.65%	5500	0.65%	NIL	-
19	Vijay Kumar Khandelwal	1100	0.13%	1100	0.13%	NIL	-
20	Abhishek Khandelwal	13150	1.55%	13150	1.55%	NIL	-
21	Yash Khandelwal	0	0.00%	30350	3.57%	NIL	3.57%
	TOTAL	326000	38.35%	326000	38.35%		0.00%

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

SN	Particulars	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
			No. of shares	% of total shares	No. of shares	% of total shares	
	At the beginning of the year						
	Mrs. Radha Rani Khandelwal		16,300.00	1.92%	22,300	2.62%	36.81%
	Suraj Devi Khandelwal		30,350.00	3.57%	-	0.00%	-100%
	Mrs. Nibha Khandelwal		6,000.00	0.71%	-	0.00%	-100%
	Mr. Yash Khandelwal		-	-	30,350	3.57%	100%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	JAI KUMAR BHAGWANDAS			12500	1.47%	12500	1.47%
2	JAI KUMAR BHAGWANDAS			9000	1.06%	9000	1.06%
3	BHAGWANDAS HARIDAS			8500	1.00%	8500	1.00%
4	KISHORE KUMAR SUNDERDAS			7500	0.88%	7500	0.88%
5	VINOD KUMAR BHAGWANDAS			5500	0.65%	5500	0.65%
6	BHAGWANDAS HARIDAS			5000	0.59%	5000	0.59%
7	KAVITA PRAVINCHANDRA SHAH			5000	0.59%	5000	0.59%
8	PRAVINCHANDRA BABULAL SH.			5000	0.59%	5000	0.59%
9	RADHEY SHYAM KHANDELWAL			5000	0.59%	5000	0.59%
10	VINOD KUMAR BHAGWANDAS			4500	0.53%	4500	0.53%
				67500	7.94%	67500	7.94%

(v) Shareholdings of Directors & Key Managerial personnel

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

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V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	54.50	-	54.50
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	-	54.50	-	54.50
Change in Indebtedness during the financial year				
* Addition		-		-
* Reduction			-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount		54.50		54.50
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	-	54.50	-	54.50

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
		Name	Designation	
		V.N.KHANDELWAL	DINESH KHANDELWAL	
		WHOLE TIME DIRECTOR	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600,000	600,000	1,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (Excluding Gratuity)	312,000	312,000	624,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL		-
2	Stock Option	NIL		-
3	Sweat Equity	NIL		-
4	Commission			
	- as % of profit	NIL		-
	- others, specify	NIL		-
5	Others, please specify	NIL		-
	Total (A)	912,000	912,000	1,824,000
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		Ashok Gupta	Atul Bagla	Anil Kamthan	Rekha Kejriwal	
1	Independent Directors					
	Fee for attending board /committee meetings	10,000	10,000	7,000	4,000	31,000
	Commission					-
	Others, please specify					-
	Total (1)	10,000	10,000	7,000	4,000	31,000
2	Other Non-Executive Directors					
	Fee for attending board /committee meetings	11,000				11,000
	Commission					-
	Others, please specify					-
	Total (2)	11,000	-	-	-	11,000
	Total (B)=(1+2)	21,000	10,000	7,000	4,000	42,000
	Total Managerial Remuneration					1,866,000
	Overall Ceiling as per the Act	Minimum Remuneration as per approval of members				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)
		Name	Liza Arora	Surabhi Pasari	
	Designation	CS	CS		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,000	28,308		124,308
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	96,000	28,308	-	124,308

Both the amounts are for part of the year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:NO penalties/punishment imposed during financial year 2015-16-NIL

KHANDELWAL EXTRACTIONS LIMITED

ANNEXURE A

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

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16	Director's Name		Ratio to median remuneration		
		Mr. V.N. Khandelwal Mr. Dinesh Khandelwal		5.98:1 5.98:1		
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2015-16 compared to 2014-15	Designation		% increase in remuneration		
		Mr. V.N. Khandelwal Director (Works)		Nil		
		Mr. Dinesh Khandelwal Director (Finance) & CFO		Nil		
		Ms. Surabhi Pasari, Company Secretary		Joined in 2015-16		
Other Directors are paid sitting fees only Details mentioned in MGT-9						
(iii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15	11.10%				
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2016 30		As on 31.03.2015 31		
(v)	Explanation on the relationship between average increase in remuneration and the company performance	Only yearly increments have been granted to all the employees				
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	KMP's are paid fixed salary/minimum remuneration as per service contract duly reviewed by Nomination & Remuneration Committee				
(vii)	Variations in Market Capitalization, price Earning Ratio and percentage increase/decrease in market quotations compared to the rate at which the company came out with the last public offer	Company's shares are listed, not traded/quoted during F.Y. 2015-16.				
(viii)	Average percentile increase in salaries of Employees other than managerial personnel	3.36%				
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration* for the year ended		% increase	Reasons against performance of the company	
		Name of KMP	31.03.2016			31.03.2015
		Mr. V.N. Khandelwal	912000	912000	Nil	-
		Mr. Dinesh Khandelwal	912000	912000	Nil	-
Ms. Surabhi Pasari	28308	-	-	Part of year hence not comparable.		
(x)	Key parameter for any variable component of remuneration availed by the Directors	N.A				
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	N.A				

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

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

NIL

*excluding medical reimbursement.

KHANDELWAL EXTRACTIONS LIMITED

INDEPENDENT AUDITOR'S 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 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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, of the state of affairs of the Company as at 31st March, 2016, and its loss and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2- As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note No. 29** to the financial statements;
 - II. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.L. TANDON & Co.

Chartered Accountants
Registration Number: 000186C

P.P. SINGH
(PARTNER)

Membership Number: 072754

Place: Kanpur
Date: 27/05/2016

KHANDELWAL EXTRACTIONS LIMITED

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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

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

Particular of land	Gross Block as at 31-03-2016 Rs.	Net Block as at 31-03-2016 Rs.	Remarks
Freehold land (two cases))	1,55,124	1,55,124	The title deeds of land is held in the erstwhile name of the company. KHANDELWAL EXTRACTIONS PVT. LIMITED

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

- including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31st March, 2016 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no dues of income tax, sales tax, service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph 3(ix) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or person connected with them. Accordingly provisions of paragraph 3(xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The Company is not required to be registered under 45 –IA of the Reserve Bank of India Act 1934.

For P.L. TANDON & Co.
Chartered Accountants
Registration Number: 000186C

P.P.SINGH
(PARTNER)
Membership Number: 072754

Place: Kanpur
Date: 27/05/2016

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

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

We have audited the internal financial controls over financial reporting of KHANDELWAL EXTRACTIONS LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. TANDON & Co.
Chartered Accountants
Registration Number: 000186C

P.P. SINGH
(PARTNER)
Membership Number: 072754

Place: Kanpur

Date: 27/05/2016

KHANDELWAL EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

	NOTES	As at 31.03.2016 ₹	As at 31.03.2015 ₹
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	12,800,500	12,800,500
Reserves And Surplus	3	<u>22,259,362</u>	<u>23,021,366</u>
		<u>35,059,862</u>	<u>35,821,866</u>
Non-Current Liabilities			
Long Term Borrowings	4	950,000	950,000
Deferred Tax Liabilities (net)	5	-	204,600
		<u>950,000</u>	<u>1,154,600</u>
CURRENT LIABILITIES			
Short Term Borrowings	6	47,104,559	32,645,608
Trade Payables	7	8,136,367	6,427,495
Other Current Liabilities	8	10,934,070	12,307,633
Short Term Provisions	9	203,373	166,970
		<u>66,378,369</u>	<u>51,547,706</u>
TOTAL		<u><u>102,388,231</u></u>	<u><u>88,524,172</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	8,489,531	8,305,304
Long Term Loans and Advances	11	407,211	409,811
		<u>8,896,742</u>	<u>8,715,115</u>
Deferred Tax Assets (Net)	12	114,630	-
Current Assets			
Inventories	13	72,534,046	51,924,139
Trade Receivables	14	3,070,331	7,173,095
Cash and Cash equivalents	15	1,059,162	370,014
Short Term Loans and Advances	16	16,556,129	20,103,247
Other Current Assets	17	157,191	238,562
		<u>93,376,859</u>	<u>79,809,057</u>
TOTAL		<u><u>102,388,231</u></u>	<u><u>88,524,172</u></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

DINESH KHANDELWAL
(Director- Finance & CFO)

K.N. KHANDELWAL
ASHOK GUPTA
ANIL KAMTHAN
ATUL BAGLA
REKHA KEJRIWAL

(Directors)

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

SURABHI PASARI
(Company Secretary)

V.N. KHANDELWAL
(Whole Time Director)

Place : Kanpur

Date : 27th May,2016

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH' 2016

	NOTE NO.	2015-16 ₹	2014-15 ₹
INCOME			
Revenue from operations	18	102,542,941	116,348,994
Other Income	19	2,391,959	3,341,026
TOTAL REVENUE		104,934,900	119,690,020
EXPENSES:			
Cost of Materials Consumed (Ricebran)		67,892,443	73,102,368
Purchases of Stock in trade		5,352,492	734,495
Changes in inventories of finished stock	20	9,592,648	24,344,361
Employees Benefits Expense	21	7,202,216	6,983,655
Finance cost	22	2,685,646	3,337,404
Depreciation		363,997	344,436
Other Expenses	23	12,926,692	15,742,085
TOTAL EXPENSES		106,016,134	124,588,804
PROFIT/(LOSS) BEFORE TAX		(1,081,234)	(4,898,784)
TAX EXPENSE			
Current Tax		-	-
Deferred Tax Credit		(319,230)	(1,502,154)
Earlier Years Tax -Adjustments		-	(30,247)
PROFIT/(LOSS) FOR THE YEAR		(762,004)	(3,366,383)
Earning per equity share of Rs 10 each			
Basic and Diluted		(0.90)	(4.00)
Accounting policies and notes on financial statement	1 to 30		

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants
Registration no. 000186C

DINESH KHANDELWAL
(Director- Finance & CFO)

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

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

SURABHI PASARI
(Company Secretary)

V.N. KHANDELWAL
(Whole Time Director)

Place : Kanpur

Date : 27th May,2016

KHANDELWAL EXTRACTIONS LIMITED

A. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16	2014-15
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit & Loss A/c	(1,081,234)	(4,898,784)
Add/(Deduct) for:		
Dividend Received	-	(375)
Interest received	(2,316,426)	(3,301,079)
Short term capital gain	(75,533)	-
(Profit)/Loss on sale of Fixed Asset	(48,433)	-
Interest Paid	2,685,646	3,337,404
Depreciation	363,997	344,436
	609,251	380,386
Operating Profit before Working Capital Changes	(471,983)	(4,518,398)
Adjustments for:		
Trade Receivable	7,884,112	10,425,426
Inventories	(20,609,907)	14,686,787
Trade Payables	371,712	(4,131,260)
	(12,354,083)	20,980,953
Cash used/Generated from Operations	(12,826,066)	16,462,555
Adjusted for:		
Income Tax Paid	-	(408,704)
Net Cash used/from Operating Activities	(12,826,066)	16,053,851
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(569,791)	(33,500)
Sale of Fixed Asset	70000	-
Purchase of Investments	(6,000,000)	-
Sale of Investments	6,075,533	-
Dividend Income	-	375
Interest Income (Net of TDS)	2,166,167	2,870,118
	1,741,909	2,836,993
Net Cash from Investing Activities	1,741,909	2,836,993
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference Shares (Series III)	-	500,000
Proceeds from Redemption of Preference Shares (Series II)	-	(500,000)
Proceeds from/(repayment of) Unsecured Loans	-	(4,880,000)
Movement in Cash Credit	14,458,951	(10,108,013)
Interest Paid	(2,685,646)	(3,908,927)
Dividend Paid	-	(519,945)
	11,773,305	(19,416,885)
Net Cash used in Financing Activities	11,773,305	(19,416,885)
Net Increase /Decrease in Cash & Cash equivalents (A+B+C)	689,148	(526,041)
Opening Balance of Cash & Cash Equivalents	370,014	896,055
Closing Balance of Cash & Cash Equivalents	1,059,162	370,014

As per our report of even date attached
For P.L. Tandon & Co.

Chartered Accountants
Registration no. 000186C

DINESH KHANDELWAL
(Director- Finance & CFO)

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

P.P. SINGH
(Partner)
Membership No. 072754
Place : Kanpur
Date : 27th May,2016

SURABHI PASARI
(Company Secretary)

V.N. KHANDELWAL
(Whole Time Director)

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 Statement.

(VI) **DEPRECIATION :**

Depreciation on the Fixed Assets has been provided in the books on straight line method over the useful life of the assets in the manner prescribed in schedule II of the Companies Act, 2013.

(VII) **SALES:**

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

(VIII) **EMPLOYEE BENEFITS :**

- (i) Salaries, wages and house rent allowances 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 31.03.2016	As At 31.03.2015
	₹	₹
2 SHARE CAPITAL:		
AUTHORISED:		
1000000 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
50000 10.5%	5,000,000	5,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
 ISSUED, SUBSCRIBED & PAID UP		
	Number	Number
Equity Shares of Rs. 10/- each	850,100	850,100
Equity Shares Forfeiture A/c	299,500	299,500
Cumulative Redeemable Preference Shares of Rs. 100/- each		
12% (Series I)	30,000	30,000
12% (Series II)	5,000	5,000
12% (Series III)	5,000	5,000
	<u>12,800,500</u>	<u>12,800,500</u>

KHANDELWAL EXTRACTIONS LIMITED

2.1 SHAREHOLDER HOLDING MORE THAN 5% SHARES

Equity Shares (Numbers)	NIL			NIL		
Preference Shares						
	12% Series I		12% Series II		12% Series III	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kailash Nath Khandelwal	8,000	27	500	10	2,500	50
Vishwa Nath Khandelwal	-	-	1,000	20	600	12
Sudhir Kumar Khandelwal	3,000	10	1,000	20	600	12
Dinesh Khandelwal	9,000	30	1,500	30	600	12
Anil Khandelwal	4,000	13	1,000	20	700	14
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
12% (Series I)	25.03.2008
12% (Series II)	19.02.2014
12% (Series III)	10.10.2014

2.3 There is no change in outstanding number of Equity as well as 12% Preference shares Series I, Series II and Series III and also in list of shareholders holding more than 5% Shares as at 31.03.2016 and 31.03.2015 except in case of Dinesh Khandelwal whose holding in Series I preference shares is 9000 as on 31.03.16 against 5000 preference shares on 31.03.15 due to transmission of 4000 shares from Suraj Devi Khandelwal

3 RESERVES AND SURPLUS:

	₹	₹
CAPITAL RESERVE		
As per last Balance Sheet	1,125,000	1,125,000
Transfer to General Reserve	<u>1,125,000</u>	<u>-</u>
	<u>-</u>	<u>1,125,000</u>
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
Transfer from Capital Reserve	<u>1,125,000</u>	<u>-</u>
	<u>13,625,000</u>	<u>12,500,000</u>
SURPLUS		
As per last Balance Sheet	8,396,366	11,795,129
Add : Balance in Statement of Profit and Loss	<u>(762,004)</u>	<u>(3,366,383)</u>
	<u>7,634,362</u>	<u>8,428,746</u>
Less : APPROPRIATIONS:-		
Dividend on Preference Shares (proposed/paid)	-	26,985
Tax on Dividend	<u>-</u>	<u>5,395</u>
	<u>7,634,362</u>	<u>8,396,366</u>
	<u>22,259,362</u>	<u>23,021,366</u>

4 NON-CURRENT LIABILITIES

LONG TERM BORROWINGS

UNSECURED LOANS:

Related Parties	<u>950,000</u>	<u>950,000</u>
	<u>950,000</u>	<u>950,000</u>

Maturity Profile	After 1 year	After 2 years
Rate of Interest	9%	9%

KHANDELWAL EXTRACTIONS LIMITED

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	1,750,950	1,752,600
	DEFERRED TAX ASSETS		
	Items under the Income tax Act which will be allowed on actual payment.	(62,840)	(51,600)
	Unabsorbed Business Losses and Depreciation	(1,802,740)	(1,496,400)
	NET DEFERRED ASSETS(See Note 12)	<u>(114,630)</u>	<u>204,600</u>
6	SHORT-TERM BORROWINGS:		
	SECURED LOANS FROM BANKS		
	Cash Credit Account		
	Secured by equitable mortgage of land and Building and hypothecation of all fixed assets, inventories & trade receivables of the company and also by the personal guarantee(s) of three Directors of the company	47,104,559	32,645,608
		<u>47,104,559</u>	<u>32,645,608</u>
7	TRADE PAYABLES	8,136,367	6,427,495
	Sundry Creditors	<u>8,136,367</u>	<u>6,427,495</u>
7.1	Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31th March, 2016 as per the terms of contract.		
8	OTHER CURRENT LIABILITIES		
	Current Maturity of Long Term Debts (Unsecured)		
	Related Parties	4,500,000	4,500,000
	Others	-	-
	Other Payables	6,434,070	7,807,633
		<u>10,934,070</u>	<u>12,307,633</u>
8.1	Other payables include dues payable to Employees etc.		
9	SHORT-TERM PROVISIONS		
	Provisions for Employees Benefits	203,373	166,970
		<u>203,373</u>	<u>166,970</u>
10	FIXED ASSETS		
	TANGIBLE ASSETS		
	GROSS BLOCK		
	ASSETS	ADDITIONS	DELETIONS
	Freehold Land	-	-
	Factory Buildings	-	-
	Plant and equipments	-	-
	Furniture and Fixtures	-	-
	Vehicles	569,791	431,333
		569,791	431,333
	TOTAL OF THIS YEAR	<u>29,785,787</u>	<u>29,924,245</u>
	TOTAL OF THE PREVIOUS YEAR	<u>29,752,287</u>	<u>29,785,787</u>

KHANDELWAL EXTRACTIONS LIMITED

DEPRECIATION BLOCK

Freehold Land	-	-	-	-
Factory Buildings	4,287,197	196,692	-	4,483,889
Plant and equipments	16,388,722	74,417	-	16,463,139
Furniture and Fixtures	155,803	-	-	155,803
Vehicle	648,761	92,888	409,766	331,883
TOTAL OF THIS YEAR	21,480,483	363,997	409,766	21,434,714
TOTAL OF THE PREVIOUS YEAR	21,136,047	344,436	-	21,480,483

NET BLOCK

	THIS YEAR	LAST YEAR
Freehold Land	546,002	546,002
Factory Buildings	5,817,125	6,013,817
Plant and equipments	1,484,752	1,559,169
Furniture and Fixtures	1,325	1,325
Vehicle	640,327	184,991
TOTAL	8,489,531	8,305,304

11 LONG TERM LOANS AND ADVANCES:

Unsecured Considered Good :		
Security Deposits	407,211	409,811
	<u>407,211</u>	<u>409,811</u>

12 DEFERRED TAX ASSETS

(See note 5 above)	114,630	-
	<u>114,630</u>	<u>-</u>

13 INVENTORIES:

Raw materials	54,788,194	26,670,972
Finished Goods	13,387,686	22,980,334
Stores & Spares	4,358,166	2,272,833
	<u>72,534,046</u>	<u>51,924,139</u>

14 TRADE RECEIVABLES:

Unsecured Considered Good :		
Over six months	-	206,265
Others	3,070,331	6,966,830
	<u>3,070,331</u>	<u>7,173,095</u>

15 CASH & CASH EQUIVALENTS :

Balance With Banks In		
Current accounts	825,561	118,993
Cash on hands	233,601	251,021
	<u>1,059,162</u>	<u>370,014</u>

16 SHORT TERM LOANS & ADVANCES:

Unsecured considered good		
Loans	10000000*	15000000*
Vat Recoverable	5,754,045	4,525,673
Income Tax Advance	674,570	442,940
Other Advances	10,168	39,293
Prepaid Expenses	117,346	95,341
	<u>16,556,129</u>	<u>20,103,247</u>

*Inter Corporate Deposits placed with M/s SJP Global Ltd.

17 OTHER CURRENT ASSETS:

Interest Receivables	157,191	238,562
	<u>157,191</u>	<u>238,562</u>

KHANDELWAL EXTRACTIONS LIMITED

	2015-2016 ₹	2014-2015 ₹
18 INCOME		
(a) Sale of products	102,352,972	115,967,564
Oil	39,084,632	45,666,721
Deoiled Meals	63,268,340	70,300,843
(b) Other Operating Revenues		
Miscellaneous Income	189,969	381,430
	102,542,941	116,348,994
19 OTHER INCOME:		
Interest Income	2,316,426	3,301,079
Dividend	-	375
Short Term Capital Gain	75,533	39,572
	2,391,959	3,341,026
20 CHANGES IN INVENTORIES OF FINISHED GOODS		
Stock at Commencement	22,980,334	47,324,695
Stock at Close	13,387,686	22,980,334
(Increase)/Decrease	9,592,648	24,344,361
21 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	6,381,134	6,145,412
Contribution To Provident and Other Funds	692,604	715,652
Staff Welfare Expense	128,478	122,591
	7,202,216	6,983,655
22 FINANCE COST		
Interest on Borrowings	2,568,784	3,337,404
Other Financing Cost	116,862	-
	2,685,646	3,337,404
23 OTHER EXPENSES:		
MANUFACTURING EXPENSES :		
Power & Fuel	6,005,748	6,457,847
Stores, Spares, Consumption	1,946,505	2,503,134
VAT Tax	3,752	38,112
Repairs to Machinery	244,198	395,212
Repairs to Buildings	104,630	28,510
Handling Charges	1,344,015	1,628,994
	9,648,848	11,051,809
ADMINISTRATIVE EXPENSES		
Insurance	153,925	187,886
Rates & Taxes	338,106	260,399
Rent	30,000	36,370
Payment to Auditors :		
Audit Fees	20,225	20,225
For other services	5,700	5,618
Miscellaneous Expenses	887,796	1,442,700
	1,435,752	1,953,198
SELLING & DISTRIBUTION EXPENSES		
Freight & Handling Outward	1,589,964	2,378,606
Selling Expenses	252,128	358,472
	1,842,092	2,737,078
	12,926,692	15,742,085

KHANDELWAL EXTRACTIONS LIMITED

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

25 a) Defined Contribution Plan

Contribution to defined contribution plan recognised as expenses for the year 2015-16 are as under

	2015-16	2014-15
	₹	₹
Employer's Contribution to Provident Fund	575,151	542,072

b) Defined Benefit Plan

The Employees Gratuity Fund Scheme managed by L.I.C. is Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation provided by L.I.C.

Gratuity Funded

I Expenses recognised in statement of Profit and Loss for the year ended.

Current Service Cost	133,517	153,950
Interest Cost	443,911	403,927
Expected return on plan assets	(504,690)	(502,869)
Net Actuarial (gain)/Loss recognised in the year	(61,879)	83,012
Expenses recognised in statement of Profit and Loss	10,859	138,020

II Net assets/(Liability) recognised in Balance sheet as at 31.03.2016

Present Value of obligations as at the end of the year	5,772,513	5,548,887
Fair value of plan assets as at the end of the year	6,256,953	6,044,186
Funded Status	484,440	495,299
Net assets/(Liability) recognised in balance sheet	484,440	495,299

III CHANGE IN OBLIGATION DURING THE YEAR ENDED

Present Value of Obligations as at the beginning of the year	5,548,887	5,049,085
Interest Cost	443,911	403,927
Current Service Cost	133,517	153,950
Benefits Paid	(291,923)	(141,087)
Actuarial (gain)/Loss on obligation	(61,879)	83,012
Present Value of obligations as at the end of the year	5,772,813	5,548,887

IV CHANGE IN ASSETS DURING THE YEAR ENDED

Fair value of plan assets at the beginning of the year	6,044,186	5,598,916
Expected return on plan assets	504,690	502,869
Contributions	-	83,488
Benefits Paid	(291,923)	(141,087)
Actuarial (gain)/Loss on Plan assets	-	-
Fair value of plan assets at the end of the year	6,256,953	6,044,186

V ACTUARIAL ASSUMPTIONS

Discount Rate	8.00%	8.00%
Salary Escalation	8.00%	9.00%

Actuarial Valuation of Leave Encashment has not been carried out as Company has paid leaves earned upto 31.03.2016.

KHANDELWAL EXTRACTIONS LIMITED

26 Earning Per Share (EPS):

a) Net Profit/(Loss) available for Equity Shareholder. (Numerator used for calculation)	(726,004)	(3,398,736)
b) Number of Equity Shares. (Used as denominator for calculating EPS)	850,100	850,100
c) Basic and Diluted earnings per Share of Rs.10/- each.	(0.90)	(4.00)

27 Related Party Disclosures:

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

Key Management Personnel and their relatives :

V.N. Khandelwal	Director (Works)	Sudhir Kumar Khandelwal	Relative
Dinesh Khandelwal	Director (Finance) & CFO	Anil Khandelwal	Relative
K.N. Khandelwal	Director/Relative	Liza Arora	Company Secretary
		Surabhi Pasari	Company Secretary

Other Directors:

Ashok Gupta	Atul Bagla
Anil Kamthan	Rekha Kejriwal

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

	2015-16	2014-15
	₹	₹
Directors Sitting Fee- KMP	11,000	10,000
Other Directors	31,000	27,000
Remuneration	3,103,162	3,042,474
Unsecured Loan and Deposits		
Balance at the beginning of the year	5,450,000	8,025,000
Amount paid during the year	-	7,075,000
Amount received during the year	-	4,500,000
Balance at the end of the year	5,450,000	5,450,000
Interest Paid/ credited during the year	490,500	1,080,483

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

28.1 VALUE OF RAW MATERIALS, STORES & SPARE

	2015-16	2014-15
	(Rs in Lacs)	(Rs in Lacs)
PARTS ETC. CONSUMED		
a. Raw Materials - Ricebran	678,92	731,02
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)	19.47	25.03
i) Imported value % of total consumption	NIL	NIL
ii) Indigenous value % of total consumption	100%	100%

28.2 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

29 CONTINGENT LIABILITIES:

	As At	As At
	31.03.2016	31.03.2015
Claims against the Company not acknowledged as debts.	520,951	520,951
Arrear of Dividend on 12% Cumulative Redemable Preference Share for the year 2014-15 and 2015-16	928,274	448,274

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:kelnkp@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 34th Annual General Meeting of the Company to be held on Saturday, 24th September 2016, 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.

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.....	
	E-mail id.....	Signature.....	Or failing him;
2	Name.....	Address.....	
	E-mail id.....	Signature.....	Or failing him;
3	Name.....	Address.....	
	E-mail id.....	Signature.....	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held at 50 MIG W Block Keshav Nagar Kanpur 208014 on Saturday, 24th Sept, 2016 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional (✓)	
		For	Against
Ordinary Business			
1	Adoption of Audited Financial Statements & Reports of the Directors and Auditors for the year ended 31 st March, 2016		
2	Re-appointment of Mr. V.N. Khandelwal who retires by rotation.		
3	Appointment of M/s. P.L. Tandon & Company, Chartered Accountant as Auditors.		
Special Business / Special Resolution			
4	Re-appointment of Mr. Dinesh Khandelwal as Director (Finance) & CFO		
		Affix Revenue Stamp of Rs.1/-	

Signed this.....day of September, 2016
 Signature of shareholder.....
 Signature of Proxy holder(s).....

Note:

- 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.
- For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 34th Annual General Meeting.

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

Sharda Graphics (P) Ltd.
Kanpur ● 9839075253