

KHANDELWAL EXTRACTIONS LIMITED



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19th ANNUAL REPORT
2000-2001

KHANDELWAL EXTRACTIONS LIMITED

BOARD OF DIRECTORS

K. N. KHANDELWAL

KISHORE MOHAN

V. N. KHANDELWAL - Director (Works)

DINESH KHANDELWAL - Director (Finance)

REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR - 208 001

WORKS :

AKRAMPUR-MAGARWARA

DISTT. UNNAO (UTTAR PRADESH)

AUDITORS :

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

BANKERS :

STATE BANK OF INDIA

ANNUAL GENERAL MEETING

ON SATURDAY,
THE 29th, SEPTEMBER, 2001
AT 4.00 P.M.

AT THE REGISTERED OFFICE
OF THE COMPANY

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KHANDELWAL EXTRACTIONS LIMITED**NOTICE :**

NOTICE is hereby given that the 19th Annual General Meeting of Khandelwal Extractions Limited will be held at the Registered Office of the Company on Saturday, the 29th September, 2001 at 4.00 P.M. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and Profit and Loss account for the year ended on that date and reports of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri V. N. Khandelwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Dinesh Khandelwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. P. L. Tandon & Company, Chartered Accountants, Kanpur to hold the office of the Auditors of the Company from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchanges at New Delhi and Calcutta.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution -

"RESOLVED THAT following Article 135(a) shall be inserted in the Articles of Association after Article 135 -

135(a). Shri K.N. KHANDELWAL shall be the non-retiring director of the Company.

KHANDELWAL EXTRACTIONS LIMITED**Notes :**

- a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed.
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- c) The Register of the members and transfer books of the Company will remain closed from 15th September, 2001 to 29th September, 2001 (both days inclusive).
- d) All documents referred to in the accompanying notice are open for inspection at the Registered Office of Company during working hours on all working days upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT :

Following explanatory statement sets out all material facts relating to business referred in Item No 5 and 6 of the accompanying Notice dated 30th June, 2001.

ITEM No. 5

Presently, the Company's equity shares are listed with Stock Exchanges at Kanpur, Mumbai, Calcutta and Delhi. It is observed that the transactions through Stock Exchanges in the Company's equity shares have been very negligible, especially through Calcutta and Delhi Stock Exchanges. A number of shareholders covered by these centres is also very nominal. On the other hand, the Company had to pay substantial amount by way of listing fee to Stock Exchanges. The Company, therefore subject to necessary approvals and compliances of necessary regulations as may be required by SEBI/Stock Exchanges, proposes to delist its equity shares from Stock Exchanges at Delhi and Calcutta. It would affect substantial saving to the Company by way of listing fee, which otherwise is being paid at present. In line with SEBI approvals, if any required, Members' approval is being sought by a Special Resolution for voluntary delisting of its equity shares from the aforesaid two Stock Exchanges. The affected shareholders who are interested to off-load their holdings, may intimate their intention to the Directors who would make necessary arrangements for buy out of their shares as per SEBI guidelines.

Your Directors recommend the Special Resolution for approval by members.

None of the Directors is in any way concerned or interested in the resolution.

ITEM No. 6

It is proposed that Shri K. N. Khandelwal, who is one of the promoter directors of the Company, shall not be subject to retirement by rotation. Section 256 of the Companies Act, 1956 provides that the general body can specify the Director not liable to retire by rotation by inserting a provision in this regard in the Articles of Association. Hence, in terms of the said provision a resolution is being recommended for your approval as a Special Resolution.

Except Shri Kishore Mohan, all other directors being relatives are interested in the said resolution.

By order of the Board

DINESH KHANDELWAL
Director (Finance)

Regd. Office :
51/47, Nayaganj, Kanpur - 208 001
Dated : 30th June, 2001

KHANDELWAL EXTRACTIONS LIMITED**DIRECTORS' REPORT**

TO THE MEMBERS,

Your Directors have pleasure in submitting their Annual Report and Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	Rs./lacs
Sales and other Income	631.28
Profit Before Interest & Depreciation	8.45
Less : Interest	6.77
Depreciation	6.97
Loss for the year	5.29
Balance as per last account	44.52
Balance carried to Balance Sheet	39.23

OPERATIONS : Production and sales have been more or less at the same level as that of previous year. However, demands of both oils and deoiled meals had been under pressure during the year, hence the increased freight on deoiled meals could not be passed on to the customers. Moreover, the management's efforts to improve the capacity utilisation could not fructify due to non-availability of raw materials, especially during the off season. Consequently, the plant remained closed from 8.7.2000 to 19.11.2000. These factors affected the profitability adversely.

DIVIDEND : There being loss during the year, your Directors do not recommend any dividend for the year.

FINANCE : Subsequent to the close of the year, the dispute with PICUP has been settled and accordingly, the Company has deposited the mutually settled amount with PICUP on 27.6.2001. However, the approval of the Board of PICUP to the agreement was still awaited.

LISTING OF SHARES : The Company's equity shares are presently listed with Stock Exchanges at Kanpur, Delhi, Mumbai and Calcutta. Listing fee to each of such Exchange is duly paid for financial year 2000-01. It has been observed that there have been almost no transactions in the Company's equity shares through Stock Exchanges. The Company has, however, to pay substantial fee if it continues listing with various Stock Exchanges. With a view to effect savings, your Directors propose for de-listing of equity shares from Delhi and Calcutta Stock Exchanges. Number of shareholders at these centres is also nominal and, therefore, it should not affect the investors' interest. The resolution in this regard is being proposed separately for seeking approval. The proposal would be implemented only after seeking requisite approvals and compliances of all regulations as prescribed by SEBI/Stock Exchanges.

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

TECHNOLOGY ABSORPTION : The Company's plant has been designed on the latest technology of M/s. Extraktions Technik, GmbH, Germany. No expenditure has been incurred on in-house research and development.

FOREIGN EXCHANGE EARNINGS AND OUTGO : There was no foreign exchange earnings and outgo during the year under review.

DIRECTORS : Mr. V. N. Khandelwal and Mr. Dinesh Khandelwal retire by rotation and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT : In terms of provisions of Section 217(2AA) of the Companies Act, 1956, (Act) your directors confirm as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements 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 year under review.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

PERSONNEL : Due to non-availability of raw materials, the plant was closed and the workers were given lay off from 20.9.2000 to 3.11.2000. The workmen have been on agitation to insist their demands for higher bonus and higher wages which was, however, subsequently mutually settled. Except this, the industrial relations generally remained cordial throughout the year.

AUDITORS : The Auditors M/s. P. L. Tandon & Co. retire and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT : Your Directors wish to place on record their appreciation for support and co-operation received from PICUP and State Bank of India and to all employees for their sincere and hard work.

By Order of the Board of Directors
For KHANDELWAL EXTRACTIONS LIMITED

Kanpur

Dated : 30th June, 2001

DINESH KHANDELWAL
Director (Finance)

V. N. KHANDELWAL
Director (Works)