

# **KHANDELWAL EXTRACTIONS LIMITED**



**27th ANNUAL REPORT**

**2008-2009**

**KHANDELWAL EXTRACTIONS LIMITED**

**BOARD OF DIRECTORS**

K. N. KHANDELWAL

V. N. KHANDELWAL

DINESH KHANDELWAL

ASHOK GUPTA

ATUL BAGLA

ANIL KAMTHAN

- Director (Works)

- Director (Finance)

**REGISTERED OFFICE :**

51/47, NAYAGANJ, KANPUR – 208 001

**WORKS :**

AKRAMPUR – MAGARWARA

DISTT. UNNAO (UTTAR PRADESH)

**AUDITORS :**

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

**BANKERS :**

THE FEDERAL BANK LTD.

**ANNUAL GENERAL MEETING**

ON SATURDAY,

THE 26th, SEPTEMBER, 2009

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 27<sup>th</sup> Annual General Meeting of Khandelwal Extractions Ltd. will be held at the Registered Office of the Company i.e. 51/47, Nayaganj, Kanpur on the 26<sup>th</sup> September, 2009 at 4:00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended on that date and Reports of Board of Directors and Auditors there on.
2. To declare dividend on 10% Preference Shares of (Series I) and (Series II) and 12% (Series I) for Financial Year 2008-09.
3. To appoint a Director in place of Shri V.N. Khandelwal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Dinesh Khandelwal who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s P.L. Tondon & Company Chartered Accountants, Kanpur to hold office of the Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**As special Business :**

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

"RESOLVED that Mr. Anil Kamthan, who was appointed as an additional Director of the company by the Board of Directors with effect from 31.01.2009 under section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom the company has received a notice under section 257 of Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company."

By order of the Board of Directors

(Dinesh Khandelwal)  
Director – Finance

Regd. Office  
51/47, Nayaganj,  
Kanpur- 208 001  
Dt : 15<sup>th</sup> June, 2009

**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 at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (c) The Register of the members and Share Transfer books of the Company will remain closed from 15<sup>th</sup> September, 2009 to 26<sup>th</sup> September, 2009 (both days inclusive).
- (d) As decided by the Board of Directors, the dividend on preference Shares, if approved, shall be payable to all those shareholders whose name appear in the Register on 15<sup>th</sup> September, 2009.
- (e) All documents referred to in the accompanying notice/ explanatory statement are open for inspection at the Registered Office of Company between 2:00 P.M. to 4:00 P.M. on all working days upto the date of the Annual General Meeting.

**EXPLANATORY STATEMENT :****ITEM No. 6**

Mr. Anil Kamthan was appointed as Additional Director of the Company by the Board of Directors on 31.01.2009 and he holds office upto the date of this Annual General Meeting. A Notice u/s 257 of the Companies Act, 1956 has been received from a member alongwith the requisite fee intending to propose the candidature of Mr. Anil Kamthan for the office of Director of the Company. Mr. Anil Kamthan has vast experience in various commercial fields. He is compliance officer of a leading listed company. He will be an independent non – executive Director, liable to retire by rotation. His vast experience in various fields will be in the interest of the Company.

The Resolution at item No. 6 is, therefore, commended for your approval.

None of the directors of the Company except Mr. Anil Kamthan is concerned or interested in the above resolution.

**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, 2009.

**FINANCIAL RESULTS**

	Rs./Lacs
Sales and other Income	1415.55
Profit before Interest and Depreciation	60.27
Less : Interest	22.08
Depreciation	3.47
Profit before Tax	34.72
Provision for Tax	11.74
(Including Deferred Tax & Fringe Benefit Tax)	
Profit after tax	22.98
Balance as per last account	36.52
Amount available for appropriations	59.50

**APPROPRIATIONS**

Dividend on Preference Shares	5.38
(including tax)	
Transfer to General Reserve	25.00
Balance carried to Balance Sheet	29.12

**OPERATIONS:**

During the year under review profit before tax was at Rs.34.72 Lacs compared to Rs.33.99 Lacs in previous year. The production during the year was at 11743 MT compared to 15549 MT during the previous year. Similarly, sales and other income was also lower at Rs.1415.55 Lacs compared to Rs.1658.27 Lacs in previous year. Low availability of rice bran and substantial decline in sale price in line with global trend has an effect on production and sales. Despite several odds and year of wide fluctuations your company has been able to maintain the profit level on a lower turnover.

**DIVIDEND:**

Your Directors recommend a dividend of Rs.5,38,180/- (including Rs.78,180/- Corporate Dividend Tax) on 5000 Preference Shares each of first and second series @ 10% and 30000 preference shares of series I @ 12% for the financial year 2008-09.

With a view to conserve cash and to meet additional requirement of working capital, your Directors do not recommend any dividend on Equity Shares for the year.

**FINANCE:**

The company was sanctioned enhanced working capital facilities of Rs.400 Lacs by The Federal Bank Ltd. during the year under review.

**MANAGEMENT'S PERCEPTION:**

As reported last year, your company's business being Agro based is basically full of uncertainties. Oil (finished product) market being volatile depending upon international markets created a situation of uncertainties. Management fully aware of these facts is keeping a close watch in its efforts to maximize the gains/profits.

**LISTING OF SHARES**

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

## KHANDELWAL EXTRACTIONS LIMITED

### CONSERVATION OF ENERGY:

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

### TECHNOLOGY ABSORPTION:

The Company's plant has been designed on the continuous process technology 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:

During the year, Mr. Anil Kamthan has been appointed as Additional Director who holds office until the close of ensuing general meeting. A notice under section 257 of Companies Act, 1956 have been received from a member of the Company proposing his candidature for the office of Director. Mr. Kamthan will be independent non-executive Director. Resolution seeking his appointment is included in the Notice convening the ensuing Annual General Meeting of the Company. Mr.V.N.Khandelwal and Mr.Dinesh Khandwelwal retire by rotation and being eligible, offer themselves for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the '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:

Industrial relations remained cordial through out the year.

There was no employee getting monthly remuneration of maximum permissible limit prescribed under Section 217 (2A) of the Companies Act, 1956 during the year which needed disclosure.

### AUDITORS:

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

### SECRETARIAL COMPLIANCE CERTIFICATE :

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

### ACKNOWLEDGEMENT:

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

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

Place : Kanpur  
Date : 15th June, 2009

**DINESH KHANDELWAL**  
Director (Finance)

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