

# KHANDELWAL EXTRACTIONS LIMITED



**31st ANNUAL REPORT**  
**2012-2013**

# 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 :

KOTAK MAHINDRA BANK LTD.

### ANNUAL GENERAL MEETING

ON SATURDAY,

THE 28th, SEPTEMBER, 2013

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 31<sup>st</sup> Annual General Meeting of Khandelwal Extractions Ltd. will be held at the Registered Office of the Company on Saturday, the 28<sup>th</sup> September, 2013 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, 2013 and Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors' thereon.
2. To declare Dividend on 10% 5000 Preference Shares of Series-I and Series-II each and on 12% 30000, Preference Shares of Series-I for the financial year 2012-13.
3. To appoint a Director in place of Shri Atul Bagla, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil Kamthan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. P. L. Tandon & Company, Chartered Accountants, Kanpur to hold office of the Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

#### As Special Resolutions :

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions :

6. "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and terms of remuneration of Mr. V.N.Khandelwal as Director (Works) of the Company for a further period of 5 years w.e.f. 01.04.2014 on terms and conditions as set out in the draft agreement, submitted to this meeting, which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter and vary the same within the permissible limit as specified in Schedule XIII to the Companies Act, 1956 or any amendment or

re-enactment thereof and as may be agreed to between the Board of Directors and Mr. V.N.Khandelwal, Director (Works) ; AND THAT the consent of the Company be and is hereby accorded to the said Mr. V.N.Khandelwal, who is a relative of Mr. K.N.Khandelwal and Mr. Dinesh Khandelwal, Directors of the Company, holding and continuing to hold an office or place of profit under the Company namely that of Director (Works)."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year or years, the aforesaid remuneration including the perquisites shall be the minimum remuneration".

7. "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and terms of remuneration of Mr. Dinesh Khandelwal as Director (Finance) of the Company for a further period of 5 years w.e.f. 01.04.2014 on terms and conditions as set out in the draft agreement, submitted to this meeting, which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter and vary the same within the permissible limit as specified in Schedule XIII to the Companies Act, 1956 or any amendment or re-enactment thereof and as may be agreed to between the Board of Directors and Mr. Dinesh Khandelwal, Director (Finance); AND THAT the consent of the Company be and is hereby accorded to the said Mr. Dinesh Khandelwal, who is a relative of Mr. K.N.Khandelwal and Mr. V.N. Khandelwal, Directors of the Company, holding and continuing to hold an office or place of profit under the Company namely that of Director (Finance)."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year or years, the aforesaid remuneration including the perquisites shall be the minimum remuneration."

8. "RESOLVED that in accordance with the provisions of Sections 80 and 81 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the



## KHANDELWAL EXTRACTIONS LIMITED

Company and subject to all requisite approvals, consents, etc., if any required under any statutory provisions, guidelines, rules, regulations and further subject to such terms and conditions and modifications, as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot up to 10000 unissued 12% Cumulative Redeemable Preference Shares of ₹ 100/- each (Series II) aggregating ₹ 10,00,000/- to such persons, companies and other entities, whether members of the Company or not, by way of private placement within the meaning of section 67(3) of companies Act, 1956 in one or more tranches for redemption of 10000 10% Cumulative Redeemable Preference Shares (series 1 and series 2) of ₹ 100/- each maturing in 2014, on such terms and conditions and the manner in which the Board may in its absolute discretion think fit".

By order of the Board of Directors

(DINESH KHANDELWAL)

Regd. Office: Director (Finance)  
51/47, Nayaganj, Kanpur – 208 001  
Dated: 25<sup>th</sup> May, 2013.

### Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
- (b) The Register of the members and Share Transfer books of the Company will remain closed from 21st September, 2013 to 28th September, 2013 (both days inclusive).
- (c) As decided by the Board of Directors, the dividend on Preference Shares, if approved, shall be payable to all those shareholders whose name shall appear in the Register of members on 28th September, 2013.
- (d) All documents referred to in the accompanying notice / explanatory statement are open for

inspection at the Registered Office of Company between 2:00 P.M. to 4:00 P.M. on all working days up to the date of the Annual General Meeting.

- (e) With a view to have quick communication with our shareholders and to make them updated with important issues, the Company is in process of developing complete record of shareholders. The Company therefore seeks cooperation from each shareholder (including joint shareholders) by sending their following details :-

- (a) Name of the shareholder(s) : .....
- (b) Folio No./DPID/Client ID No.: .....
- (c) E-mail address(es) : .....
- (d) Landline phone number(s) : .....
- (e) Mobile number(s) : .....
- (f) Postal Address(es) : .....

For any assistance or communication, kindly contact Mr.Dinesh Khandelwal, Director (Finance) at his Mobile No. 08081252221 / e-mail : kelknp@yahoo.com , kel\_dinesh@yahoo.in .

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

#### Item No.6 & 7

Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal, who have been associated with the Company's activities since inception, have been holding office in the capacity of Director (Works) and Director (Finance) in terms of the approval(s) accorded by the members of the Company from time to time and the last in Annual General Meeting held on 27<sup>th</sup> September, 2009. Their present tenure would expire on 31<sup>st</sup> March, 2014. The Board of Directors in the meeting held on 25.05.2013 approved their reappointment subject to the approval of shareholders for a further period of 5 years w.e.f. 01.04.2014 on the revised remuneration as set out here as under. Remuneration Committee of the Board of Directors has approved the revised pay package payable to them for the tenure starting from 01.04.2014 considering the dedicated services being rendered by them.

The present agreement shall stand automatically cancelled when the new agreement becomes operative. The following are the terms and conditions as regards to salary and perquisites of both Director (Works) and Director (Finance) (referred here in below "Appointees"):



- (i) Salary : ₹ 50,000/- per month in the scale of ₹ 50000-2500-60000.
- (ii) Performance Linked Incentive : As may be decided by the Board on the recommendation of Remuneration committee
- (ii) Perquisites:

**Category – A :**

- (i) Housing: House Rent Allowance – 40% of the Basic Salary.
- (ii) Medical reimbursement: Reimbursement of the expenses for self and family subject to a ceiling of 5% of basic salary accumulated over a period of 3 years.
- (iii) Leave Travel Concession : Leave Travel Concession for self and his family once in a year incurred in accordance with the Rules of the Company.
- (iv) Personal Accident Insurance: Premium not to exceed ₹ 4,000/- 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:**

- (i) 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.
- (ii) 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 to the appointee(s).

Appointee(s) are not to be paid any sitting fees for meeting of the Board or of any committee thereof attended by them.

In the event of loss or inadequacy of profits in any financial year(s) of the Company, the aforesaid remuneration shall be paid as minimum remuneration in accordance with the provisions of Companies Act,

1956 or any statutory modifications thereof in future / proposed new Companies Act when made applicable.

The Board of Directors in agreement with the appointee(s) may pay to him/them 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.

The above may be treated as abstract of the terms and conditions of appointment of Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal as Director (Works) and Director (Finance) within the meaning of the Companies Act, 1956.

The Special Resolutions as set out at item Nos. 6 & 7 are therefore commended for your approval.

None of the directors except Mr. K.N.Khandelwal, Mr. V.N.Khandelwal and Mr. Dinesh Khandelwal being related to each other is concerned or interested in the said Resolutions.

**Item No.8**

The Board proposes to issue 10,000 shares 12% cumulative preference share (series II) on private placement basis within the meaning of Sec. 67(3) of the companies Act, 1956 and the same shall not be listed on any recognised stock exchange in order to raise funds to redeem 5,000 10% Cumulative Redeemable Preference Shares of ₹ 100 each of series I falling due for redemption on 01.03.2014 and another 5,000 10% Cumulative Redeemable Preference Shares of ₹ 100 each of series II falling due for redemption on 15.10.2014, for which shareholders consent is being obtained.

The Board of Directors recommends the Resolution as set out at item no. 8 for approval of the members.

Mr. K.N. Khandelwal, Mr. V.N. Khandelwal and Mr. Dinesh Khandelwal, Directors of the company, and their family members are concerned and interested in the aforesaid resolution to the extent of their holdings in equity and preference capital and also to the extent they may subscribe to the proposed issue.

By order of the Board of Directors

Place : Kanpur

Date : 25th May, 2013

(Dinesh Khandelwal)

Director (Finance)



# KHANDELWAL EXTRACTIONS LIMITED

## DIRECTORS' REPORT

### TO THE MEMBERS.

Your Directors have pleasure in submitting their Annual Report and audited Statements of Accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

	2012-13 ₹/Lacs
Sales and other Income	2003.16
Profit before Interest and Depreciation	88.73
Less : Interest	20.67
Depreciation	3.21
Profit before Tax	64.85
Tax Expenses	20.41
(Including Deferred Tax )	
Profit after Tax	44.44
Balance as per last account	54.20
Amount available for Appropriations	98.64

### APPROPRIATIONS

Dividend on Preference Shares (including tax)	5.38
Balance carried to Balance Sheet	93.26

### OPERATIONS:

During the year Company achieved higher turnover at ₹ 2003.16 lacs and also recorded profit before tax at ₹ 64.85 lacs. Better realisation during off season provided higher margins. However the margins during current season were under great pressure due to high prices of raw materials without commensurate increase in selling prices.

### DIVIDEND:

Your Directors recommend a dividend of ₹5,38,178/- (including ₹ 78,178/- Tax on Dividend) on 5000 Preference Shares of ₹100/- each of I (first) and II (second) series @ 10% and 30000 Preference Shares of ₹100/- each of Series - I @ 12% for the financial year 2012-13 .

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

### FINANCE:

- During the year the Company has shifted the working capital facilities from The Federal Bank Ltd to Kotak Mahindra Bank Ltd. who has offered these at much better terms.
- Your Directors propose to issue 10000 12% Cumulative Redeemable Preference Shares of ₹ 100 each (series II) to raise funds to redeem 10% Cumulative Redeemable Preference Shares of similar amount maturing in 2014. Your approval is sought to the resolution included in the notice in this regard.

### PUBLIC DEPOSITS:

The company is not accepting deposits from public, but has accepted deposits from friends, relatives and business associates and has filed statement in lieu of advertisement. There was no unclaimed deposit as on 31.03.2013.

### LISTING OF SHARES:

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

### 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.