

# **KHANDELWAL EXTRACTIONS LIMITED**



**39th ANNUAL REPORT**  
2020-2021

**KHANDELWAL EXTRACTIONS LIMITED**

**BOARD OF DIRECTORS**

K. N. KHANDELWAL	-	Chairman
V. N. KHANDELWAL	-	Whole Time Director (Works)
DINESH KHANDELWAL	-	Whole Time Director (Finance) & CFO
ASHOK GUPTA	-	Independent Director
ATUL BAGLA	-	Independent Director
ANIL KAMTHAN	-	Independent Director
REKHA KEJRIWAL	-	Independent Director

**COMPANY SECRETARY**

MOHIT SRIVASTAVA

CIN : L24241UP1981PLC005282

**REGISTERED OFFICE :**

51/47, NAYAGANJ, KANPUR – 208 001

Website : [www.khandelwalextractions.com](http://www.khandelwalextractions.com)

Email : [kelknp@yahoo.com](mailto:kelknp@yahoo.com)

**WORKS :**

AKRAMPUR – MAGARWARA

DISTT. UNNAO (UTTAR PRADESH)

**AUDITORS :**

M/S. GUPTA VAISH & CO., KANPUR

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# KHANDELWAL EXTRACTIONS LIMITED

## NOTICE

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of Khandelwal Extractions Ltd. will be held at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur-208014 on Saturday, the 25<sup>th</sup> September, 2021 at 4:00 P.M., to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 and Report of the Board of Directors and Auditors' thereon.
- To appoint a Director in place of Shri Dinesh Khandelwal (DIN: 00161831), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

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

#### As Special Resolution:

- Authorisation under section 186 of the Companies Act, 2013.**

"RESOLVED THAT pursuant to the provisions of Section 186 and Section 177 and any other applicable provisions of the Companies Act, 2013, ("the Act") read with the relevant rules made thereunder including SEBI Regulations to the extent applicable any amendment thereto or re-enactment thereof for the time being in force, if any, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for making investment(s) in excess of limits specified under Section 186 of the Act from time to time by way of acquisition of securities of any body corporate/institution or for giving loans to any body corporate or other person /entity or invest in Mutual Funds, as may be considered appropriate for an amount outstanding any time not exceeding Rs.10,00,00,000 (Rupees Ten Crores Only) notwithstanding that such investments and acquisitions in securities together with existing investments of the Company in all other body corporate/institution, loans given or to be given and securities provided shall be in excess of the limits prescribed under Section 186 (3) of the Companies Act, 2013 or any other applicable provisions on Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things and to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board of Directors

Regd. Office:

51/47, Nayaganj, Kanpur – 208 001

Dated: 14<sup>th</sup> August, 2021

**CS MOHIT SRIVASTAVA**  
(COMPANY SECRETARY)

### Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (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 commencement of the annual general meeting. A Proxy form is annexed herewith and same is available on the Company's website [www.khandelwalextractions.com](http://www.khandelwalextractions.com). Proxies submitted on behalf of the Companies must be supported by an appropriate resolution/authority as applicable.
- The Register of members and Share Transfer books of the Company will remain closed from **19<sup>th</sup> September, 2021 to 25<sup>th</sup> September, 2021** (both days inclusive).
- Brief resume of the Director proposed to be re-appointed along with such other details as stipulated under Regulation 36(3) of SEBI Listing Regulations, as amended, and Secretarial Standards on General Meetings (SS-2), are provided in this Notice.
- The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of the above Depositories. The Company's ISIN No. is INE687W01010. **In view of applicability of Securities and Exchange Board of India ("SEBI") notification dated 08th June, 2018, which has mandated that the requests for transfer of securities shall take place only in dematerialized form w.e.f 01st April, 2019; members are requested to dematerialize their securities with NSDL/CDSL in order to avoid any hassle while transferring the securities in future. The Company's ISIN No. is INE687W01010.**
- Members are requested to lodge Share Transfer documents and all other correspondences and queries relating to Share Transfer, Share Certificates, Change of Address etc., to the Company's Registrar and Transfer Agent ("RTA") i.e. M/s Alankit Assignments Limited having its office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055
- Members holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address, if any, PAN (enclose self attested copy of PAN Card) and Bank account details (enclose cancelled cheque leaf) quoting their folio numbers to the RTA at their email id [rtat@alankit.com](mailto:rtat@alankit.com). Similarly members holding shares in Demat form shall intimate the above details to their respective Depository Participants. **For any assistance, the member(s) may contact Mr. Dinesh Khandelwal –Director (Finance) & CFO on mobile no. 9415330630 or 8081252221 or e-mail at [kelnkp@yahoo.com](mailto:kelnkp@yahoo.com)** Members are advised to register the nomination in respect of shareholding in Company. The nomination form (SH-13) is put on website and can be accessed at link [www.khandelwalextractions.com](http://www.khandelwalextractions.com). NRI may submit the information to RTA regarding change in residential status, particulars of bank account.
- In terms of Section 108 of the Companies Act 2013 read with relevant applicable rules

and pursuant to Regulation 44 of 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. Information and instructions relating to e-voting are provided at end of the notice. The details of User ID and Password relating to e-voting are sent herewith.

- Members who have not yet exchanged their allotment letters are requested to send allotment letters to the Company for exchange of certificates which is mandatory requirements for getting the holdings in demat form.
- The voting rights of the members shall be in proportion to their shares of the paid up share capital of the Company as on the cut off date i.e. **18<sup>th</sup> September, 2021**. 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 as amended from time to time.
- 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.
- 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](http://www.khandelwalextractions.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The results will simultaneously be communicated to the Stock Exchange(s).
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 25<sup>th</sup> September, 2021.
- Register of Directors and KMP and their Shareholding maintained u/s 170, Register of contracts and arrangements in which Directors are interested u/s 189 shall be open for inspection of the member during AGM.
- A Route Map showing directions to reach the venue of AGM is attached at the end of this Annual Report as per the requirement of the Secretarial Standard -2 on General Meetings.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Electronic copy of the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.khandelwalextractions.com](http://www.khandelwalextractions.com). The notice can also be accessed from the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)
- All documents referred to in the accompanying notice shall be open for inspection at the registered office of the Company between 02:00 pm to 04:00 pm on all working days except Saturday up to the date of Annual General Meeting.
- Details of Dinesh Khandelwal seeking re-appointment:

DIN	00161831
Designation	Whole-time Director (Finance) & CFO
Date of Birth	01.06.1953
Qualification	Commerce Graduate
Date of first appointment on Board	24.04.1981
Brief resume /Expertise in specific functional areas of Director	One of the promoter Directors, associated with the Company since inception, Experience of over 40 years in Company's finances, banking and commercial functions, Devotes full time attention in the Company's affairs
Directorship/Membership/Chairmanship held in Committees of Board of other Companies	Nil
Shareholding in the Company	42000 equity shares
Relationship with other directors inter-se	Brother of Mr. Kailash Nath Khandelwal and Mr. Vishwa Nath Khandelwal
No. of Board meetings attended in the year 2020-21	4
Remuneration last drawn (FY 2020-21)	Details in Form MGT-9

### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:

- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- The voting period begins on 22<sup>nd</sup> September, 2021 (10:00 am) and ends on 24<sup>th</sup> September, 2021 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in

## KHANDELWAL EXTRACTIONS LIMITED

e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/IR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKNTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>If you are already registered for NSDL e-DeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "DeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for e-DeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for eDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/DeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/DeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of Khandelwal Extractions Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [kelnkp@yahoo.com](mailto:kelnkp@yahoo.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
  - For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
  - For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futrex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

**Item No. 3**

Members may note that the Company has initiated the sales of plant and machinery and the process has been begun. The Company has also leased out some godown on rent and in the process it may have surplus funds till its final disposal. The Board of Directors of the Company proposes to deploy the surplus funds by making investment in Mutual Funds /in securities of other bodies corporate/institution or granting loans to other body corporate/institution or person/entity as and when required to earn reasonable return. Further it is in process of sale/lease of remaining assets. Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of members by special resolution passed at the general meeting. The Audit Committee has already recommended to the Board the propose investment/acquisition of securities u/s 186 of the Act. In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.10 Crores, as proposed in the notice, notwithstanding that same exceeds the limit u/s 186 of the Act. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 3 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item No. 3 of the accompanying notice. The Board recommends the resolution at Item No. 3 to be passed as Special Resolution.

# KHANDELWAL EXTRACTIONS LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's 39<sup>th</sup> Annual Report and Audited Financial Statements for the financial year ended March 31<sup>st</sup>, 2021.

### 1. FINANCIAL RESULTS

	(Rs. in Lakhs)
Other Income	17.29
Loss before Interest and Depreciation	(23.38)
Add : Interest	(7.20)
Depreciation	(5.12)
Tax Credit (including Deferred Tax)	10.43
Loss after tax	(25.27)
Other Comprehensive Income/(Loss)	-
Total Comprehensive Income/(Loss)	(25.27)

### 2. HIGHLIGHTS OF PERFORMANCE

During the year, the Company's working resulted in loss before interest and depreciation of Rs. 23.38 lakhs. As reported earlier, the Company's solvent extraction operations were closed from November 2018 and it has income only from Interest Rs. 17.29 lakhs. The Company's assessment under Income Tax Act, 1961 is completed upto A.Y. 2020-21 and there was no outstanding demand.

**Impact of COVID-19:** There was no impact of COVID-19 on the financial statements of the Company as its operations are totally closed. However, COVID-19 affected the management efforts to sell/ lease out assets to generate income.

**Indian Accounting Standards (Ind-AS) – IFRS Converged Standards.**

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015 and the Annual Accounts of 2020-21, has been drawn in terms of provisions of the Ind-AS.

**Future Outlook:**

The management expects that once the business situation normalizes it shall be able to lease the company's assets/lease of remaining godowns in pursuance of approval of shareholders accorded at AGM dated 29<sup>th</sup> September, 2018 to generate some income in future.

### 3. TRANSFER TO RESERVES

In view of losses incurred by the Company for the F.Y. 2020-21, no amount has been transferred to General Reserve.

### 4. DIVIDEND

In view of losses during F.Y. 2020-21, the Board of Directors have not recommended dividend on Equity shares.

### 5. SHARE CAPITAL

The Company's Authorized Capital remains unchanged at Rs. 200 Lakhs. The Paid up Equity Share Capital of the Company as on the date of Balance Sheet stands unchanged at Rs. 85,01,000/- (comprising of 8,50,100 Equity shares of Rs. 10/- each).

### 6. FIXED DEPOSITS

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

### 7. SUBSIDIARIES

Your Company does not have any subsidiary within the meaning of the Companies Act, 2013. During the financial year ended 31<sup>st</sup> March 2021, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

### 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. In accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Dinesh Khandelwal (DIN: 00161831), Whole-time Director (Finance) & CFO, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment to the Board.

Pursuant to the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, all Independent Directors have registered their name in the data bank of Independent Directors.

All Independent Directors have given declarations of compliance of Rule 6(1) & (2) of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended along with the declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

b. Mr. Dinesh Khandelwal, Whole-time Director (Finance) & CFO; Mr. Vishwa Nath Khandelwal (DIN: 00161893), Whole-time Director (Works) and Ms. Surabhi Pasari (Resigned w.e.f. 11.02.2021) & Mr. Mohit Srivastava (Appointed w.e.f. 12.02.2021), Company Secretary and Compliance Officer are the Key Managerial Personnel of your Company.

### 9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013; the Nomination and Remuneration Committee formulated the criteria for evaluation of the performance of the Board of Directors, its various Committees constituted as per the provisions of the Companies Act, 2013 and individual directors. Based on that, the Board of Directors carried out an annual evaluation of its own performance and of its various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Committee of Directors and expressed their satisfaction with its performance and performance of its Committees. The Board of Directors also evaluated the performance of individual Director on the basis of self-appraisal and expressed their satisfactory performance. The Board of

Directors also carried out an annual performance evaluation of its Independent Directors and expressed their satisfaction with their functioning / performance.

In terms of Schedule IV to the Companies Act, 2013, the Independent Directors also convened a separate meeting for this purpose and evaluated the performance of Chairman and Non- Independent Directors.

### 10. 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 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.

### 11. RISK MANAGEMENT POLICY

The management is exploring possibilities of sale/lease of Company's undertaking/assets which will be the only source of income of the Company in future. The new business involves risks of different nature. The new policy shall be framed as and when desired.

### 12. INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal control relating to purchase/sales of stores, raw materials including components plant & machinery, equipments 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.

### 13. 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.

### 14. 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.

### 15. 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. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval of Audit Committee was obtained for the transactions which are foreseen and repetitive in nature.

### 16. STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under M/s. Gupta Vaish & Co., Kanpur, Chartered Accountants, (ICAI Registration No 005087C), were appointed as Statutory Auditors of the Company at the Thirty Fifth (35th) Annual General Meeting to hold office for a term of 5 years from the conclusion of 35<sup>th</sup> Annual General Meeting till the conclusion of Fortieth (40th) Annual General Meeting.

M/s. Gupta Vaish & Co have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force).

In accordance with Notification dated 7th May, 2018 of Ministry of Corporate Affairs, the ratification of appointment of Statutory Auditors at every AGM is not required. Accordingly, the ratification of appointment of statutory auditors does not form part of the Notice convening ensuing Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditor's Report for the financial year ended 31<sup>st</sup> March, 2021 which requires any clarification or explanation. However, Auditors have drawn attention of



## KHANDELWAL EXTRACTIONS LIMITED

shareholders on Company's ability as a going concern. The matter is adequately covered in Note No. 25 of the financial statements.

### 17. 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 (CP No. 1405), Kanpur, were appointed to conduct the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2021. The Practicing Company Secretary has submitted his Report on the secretarial audit which is annexed as **Annexure I** to this Directors' Report. The Secretarial Audit Report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

### 18. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

Pursuant to the provisions of Section 143 (12) of the Companies Act, 2013, no instance of fraud has been reported by the auditors against the Company.

### 19. 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 departure;
- 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.

### 20. 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. However, subsequent to close of the year and after receding affect of COVID-19 the management has been successful to give few godowns on short term lease to one of the reputed corporate house to generate income to meet its routine general expenses and any unforeseen liability. Further it could finalise the sale of plant and machinery which was necessary as due to wear and tear on account of non use its realizable value was decreasing year by year.

### 21. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed by any Regulator or Court or Tribunal impacting the going concern status and Company's operations in future.

### 22. CHANGE IN THE NATURE OF BUSINESS

The Company has closed its present operations of manufacturing of rice bran oil/de-oiled rice bran. It is exploring possibilities to new business which is yet to take place.

### 23. STATUTORY DISCLOSURES:

#### i. CORPORATE GOVERNANCE

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

#### ii. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on 31<sup>st</sup> March, 2021 is available on the website of the Company and can be accessed at <http://www.khandelwalextractions.com/announcements.html>

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

- a. The Board of Directors met four times during the year on 27.06.2020, 14.08.2020, 06.11.2020 and 12.02.2021. All the Directors were present in all the meetings.
- b. The Audit Committee formed under Section 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 27.06.2020, 14.08.2020, 06.11.2020 and 12.02.2021. All the members 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 27.06.2020 and 12.02.2021. All the members were present in the meeting.
- d. The Stake Holders Relationship Committee consisting of Mr. Anil Kamthan, Chairman; Mr. K.N. Khandelwal and Mr. Dinesh Khandelwal met once on 25.03.2021 to take note of investor complaints/grievances. All the members were present in the meeting.
- e. Independent Directors held a meeting on 25.03.2021 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 statements annexed in the Annual Report for F.Y. 2020-21.

#### 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 PERSONNAL

Details of remuneration paid to Directors, KMPs are given in Form No. MGT-9 (available on the website of the Company). 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, are same as per previous year. No new employee was employed during the year except replacement of Company Secretary. Also no increase in salary was given to any employee. Executive directors have been paid minimum remuneration as approved by the Shareholders. Non-executive Directors have been paid only sitting fees.

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.

#### x. 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.

#### xi. Your Directors recommend for your approval to the resolution seeking increase in the limit u/s 186 of the Companies Act, 2013 to empower them to make investments etc. of the surplus funds so generated out of sale /lease of assets.

### 24. ENVIRONMENT AND SAFETY

The Company's plant is closed hence there is no question of any pollution of any sort. It has taken all necessary precautions and action for safety of its assets and properties and all approvals necessary are in place.

### 25. LISTING OF EQUITY SHARES

The Equity shares continue to be listed with BSE Ltd. The Company has paid the Annual Listing fee for the year 2020-21 to the said stock exchange.

### 26. DEMATERIALISATION OF SHARES/APPOINTMENT OF RTA

The Company has necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of the above Depository. The Company's ISIN No. is INE687W01010.

M/s Alankit Assignments Limited, New Delhi continues as its Registrar and Share Transfer Agent (RTA) for providing services in respect of transfer and dematerialization of securities of the Company with NSDL/CDSL.

### 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

After seeking necessary approvals, the management has been trying for sale/lease of the plant/undertaking. Few proposals for leasing the godowns were under final stage but could not be implemented due to constraints which were being removed but COVID-19 now resulted in collapse of these. As a result of constant efforts, subsequent to close of the year, the management has leased out some godowns for short term period and efforts are on to give on lease remaining godowns also once these are made fit to suit the requirements of the lessees which requires some expenditure also.

### 28. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARD

The Company has complied with the applicable Secretarial Standards, SS-1 on Meetings of the Board of Directors and SS-2, SS-3 and SS-4 on General Meetings and Board Meeting issued by the Institute of Company Secretaries of India.

### 29. ACKNOWLEDGMENT

Your Directors thank all the Stakeholders including employees for their continued support to your Company.

FOR AND ON BEHALF OF THE BOARD

K N KHANDELWAL  
(CHAIRMAN)

Place: Kanpur  
Date: 14.08.2021

# KHANDELWAL EXTRACTIONS LIMITED

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry Of Corporate Affairs/other Authorities warranted due to spread of Covid-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 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 relied upon the accuracy of the documents and information as shared by the Company with me through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to pandemic Covid-19 and the same is subject to physical verification by me post normalization of the situation.

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 31<sup>st</sup> March, 2021 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, 2015;
  - (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, 2014. (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;
  - (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, 2018; (Not applicable during the Audit Period)

(6) I further report that reliance has been placed on the management representation by company for compliances and systems and mechanisms formed by the Company 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. Shares of the Company are listed at Bombay Stock Exchange Limited. For transfer of shares to suspense account as per clause 39 of LODR Regulations, letters has been issued to the concerned shareholders for claiming undelivered/unclaimed shares of physical segment and the compliance is under process.

(UP Stock Exchange ceased to be a recognized Stock Exchange in June 2015. 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/ as per applicable provisions, 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. except the following:

- (i) The Company closed its plant and manufacturing operations in November 2018; Obtained members consent for sale, lease or otherwise dispose off the whole or substantially the whole of undertaking of the Company in the Annual General Meeting of September 2018; Steps to find suitable buyer is in process.
- (ii) As per Exchange regulatory filing of Financial Results for previous year, since Manufacturing operations closed from November 2018 and company resolved for sale, lease or otherwise dispose off the whole or substantially the whole of undertaking of the Company there is significant doubt upon entity's ability to continue as going concern.  
In opinion of management realizable value of assets is not lower than amount appearing in books and therefore, there is no need to provide for any impairment loss.
- (iii) Since Company's Plant/Operations remain closed from November 2018, there is no impact of COVID-19 on the Financial Performance of the Company.

Signature

**Banthia And Company**

Place : Kanpur  
Date : June 25, 2021  
UDIN : A004933C000512286

**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.

Signature

**Banthia And Company**

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

Place : Kanpur  
Date : June 25, 2021  
UDIN : A004933C000512286

# KHANDELWAL EXTRACTIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### To The Members of KHANDELWAL EXTRACTIONS LIMITED Report on the Audit of Financial Statements Opinion

We have audited the financial statements of KHANDELWAL EXTRACTIONS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the loss, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note No 25 of the financial statements which describes the following matters: Manufacturing operations at Akrampur Magarwara factory had been closed on 1 November 2018. There is significant doubt upon the entity's ability to continue as a going concern, as the Company has planned to sell or lease or otherwise dispose off the whole or substantially the whole of the undertaking situated at Akrampur- Magarwara, Distt. Unnao. However, the management is of the opinion that realizable value of all assets is not lower than the amount appearing in the books and therefore there is no need to provide for any impairment loss.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31 2021. These matters were addressed in the context of our audit of the financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key Audit Matters to be communicated in our reports.

Sl no.	Reporting	How was the Key Audit Matter addressed in the audit
1	<b>Assessment of Deferred Tax Assets recognized by the company on carry forward of losses Rs. 217.58 lacs</b> The recognition and measurement of deferred tax items require determination of difference between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDs and financial reporting in accordance with Ind AS. Assessment of deferred tax assets is done by the management at the close of each financial year taking into account forecast of future taxable results. We have considered the assessment of deferred tax liabilities and assets as a Key Matter due to the importance of management estimation and judgement and a materiality of the amount.	<b>Principal Audit Procedure Performed</b> i. We have tested the period over which the deferred tax assets on unabsorbed losses would be recovered against future taxable income. ii. We have tested the management's underlying assumption and judgement in estimating the future taxable income against which unabsorbed losses would be recovered.

#### Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that facts, we have nothing to report in this regard.

#### 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 of these financial statements that give a true and fair view of the financial position, financial performance, Total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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.

As required by Section 143(3) of the Act, we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid financial statements comply with the Ind Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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".
- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note No 30.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Gupta Vaish & Co.**  
Chartered Accountants  
Registration Number: 005087C

Place: Kanpur  
Date: 26-06-2021

**Rajendra Gupta (PARTNER)**  
Membership Number: 073250  
UDINNO 21073250AAAAA2566