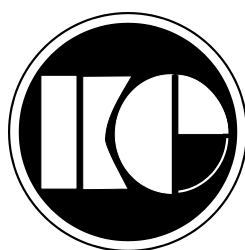


# **KHANDELWAL EXTRACTIONS LIMITED**



**40th ANNUAL REPORT**  
2021-2022

**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 40<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 24<sup>th</sup> September, 2022 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, 2022 and Report of the Board of Directors and Auditors' thereon.
- To appoint a Director in place of Shri Vishwa Nath Khandelwal (DIN: 00161893), who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of Auditors**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and pursuant to recommendation of the Audit Committee and Board of Directors, M/s P.L. Tandon & Co., Chartered Accountants, Kanpur (ICAI Registration No. 000186C), be and are hereby appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of 40<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 45<sup>th</sup> Annual General Meeting at such remuneration as fixed by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### SPECIAL BUSINESS

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

#### As Special Resolution:

- Re-appointment of Shri Dinesh Khandelwal as Whole-time Director (Finance) & CFO**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 of The Companies Act, 2013 and any other applicable provisions, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh Khandelwal (DIN: 00161831) designated as Whole-time Director (Finance) & CFO, not liable to retire by rotation except for compliance of Section 152 (6) of the Companies Act, 2013, for three (3) years with effect from 01.04.2023, on the terms and conditions as recommended by Nomination and Remuneration Committee and as contained in the Explanatory Statement attached to the notice."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors

Regd. Office:  
51/47, Nayaganj, Kanpur – 208 001  
Dated: 13<sup>th</sup> August, 2022

**Dinesh Khandelwal**  
Whole Time Director ( Finance) & CFO

### 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 **17<sup>th</sup> September, 2022 to 24<sup>th</sup> September, 2022** (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.
- 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 are requested to register/update/intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), signature, bank mandates, demat account details, nominations, etc., in following manner.
  - For shares held in physical form, to the Company/ RTA in prescribed Form ISR-1 and other forms pursuant to the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/CIR/2021/655 dated November 3, 2021. All the prescribed forms can be downloaded from the Company's website at [www.khandelwalextractions.com](http://www.khandelwalextractions.com).
  - For shares held in electronic form, to their Depository Participants ("DPs")  
In terms of the above SEBI Circular, the folios wherein certain details like PAN, nomination, mobile number, email address, specimen signature, bank details are not available, are required to be frozen with effect from April 1, 2023. Accordingly, members who have not yet submitted the said details are requested to kindly provide the same to the Company/RTA at the earliest but not later than March 31, 2023, failing which their folios shall be frozen.
- As per the provisions of Section 72 of the Act and SEBI Circular dated November 3, 2021, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.khandelwalextractions.com](http://www.khandelwalextractions.com). Members are requested to submit the said details to their Depository Participant in case the shares held by them in dematerialized form and to the RTA in case the shares are held in physical form.

- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.khandelwalextractions.com](http://www.khandelwalextractions.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited respectively and the AGM Notice is also available on the website of CDSL (agency for providing Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- The Members may further note that SEBI vide its circular dated January 25, 2022, has mandated the listed companies to issue the securities in dematerialized form only, while processing the requests for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/Exchange of Securities certificate, Endorsement, Sub-division/ Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition. Accordingly, Members are requested to make service request by submitting a duly filled and signed form ISR-4 format of which is available on the website of the Company at [www.khandelwalextractions.com](http://www.khandelwalextractions.com). It may be noted that any service requested can be processed only after the folio is KYC compliant.
- SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
- 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.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 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. **17<sup>th</sup> September, 2022**. 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 two working 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. 24<sup>th</sup> September, 2022.
- 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 MCA vide circular dated May 5, 2022 read with Circulars dated April 8, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 and SEBI vide its Circular dated May 13, 2022 read with circulars dated May 12, 2020 and January 15, 2021 Electronic copy of the Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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 upto the date of Annual General Meeting.

### 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 21st September, 2022 (10:00 am) and ends on 23<sup>rd</sup> September, 2022 (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 17<sup>th</sup> September, 2022 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 e-voting process.
- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/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:

# KHANDELWAL EXTRACTIONS LIMITED

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/LINKINTIME, 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 IDEAS 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 "IDEAS" 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 redirected 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 IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDEAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/EasiDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/EasiDirectReg.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) login 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 DPID 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 10digit 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:kuldeep@vishwa.com](mailto:viz:kuldeep@vishwa.com), if they have voted from individual but & 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 Futurex, 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**

At the 35th Annual General Meeting (AGM) of the Company held on 23rd September, 2017, the Members had approved the appointment of M/s Gupta Vaish & Co., Chartered Accountants, Kanpur (ICAI Registration No. 005087C), as the Statutory Auditors of the Company to hold office as Statutory Auditors for a period of five (5) years, till the conclusion of the 40th AGM to be held in the year 2022.

Accordingly, the Board of Directors at its meeting held on 13th August, 2022, based on the proposal of the Management and the recommendations of the Audit Committee, has approved the appointment of M/s P.L. Tandon & Co. Chartered Accountants (ICAI Registration No. 0001866C), as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of 40th Annual General Meeting (AGM) till the conclusion of 45th Annual General Meeting at such remuneration as fixed by the Board of Directors of the Company.

In accordance with the provisions of Section 139, 141 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), each as amended from time to time, M/s P.L. Tandon & Co. have given their consent for their appointment as Statutory Auditors of the Company and has issued Certificate confirming that their appointment, if made, would be in accordance with the applicable laws. M/s P.L. Tandon & Co. have also confirmed that they are eligible for the proposed appointment under the Act, The Chartered Accountants Act, 1949, read with the Rules and Regulations made thereunder.

On the recommendations of the Audit Committee, your Board recommends the passing of the resolution set out in Item no. 3 of this notice as an Ordinary resolution.

None of the other Directors/KMP of the Company/ their relatives are, in any way, concerned or interested in the resolution set out in Item no. 3 of the notice.

**Item No. 4**

Mr. Dinesh Khandelwal, who has been associated with the Company's activities since inception, has been holding office in the capacity of Whole-Time Director (Finance) & CFO in terms of approval accorded by members of the Company in the 37<sup>th</sup> Annual General Meeting held on 28th September, 2019 for a period of 3 years w.e.f. 01.04.2020. His present tenure would expire on 31.03.2023. The Board of Directors on the basis of recommendation of Nomination and Remuneration Committee has re-appointed him as Whole-Time Director (Finance) & CFO for another period of three (3) years w.e.f. 01.04.2023 on the remuneration package which is within the maximum permissible limit under Schedule V of the Companies Act, 2013. Fresh approval of the members by way of Special Resolution is being sought for the same.

The followings are the terms and conditions as regards to salary and perquisites payable to him:

i) Salary: Rs. 30000/- per month

**Category – A:**

a) Provident Fund: Company's contribution to Provident 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.

**Category – B:**

Provision of Car and cell phone for use on Company's business will not be considered as perquisites. Use of car for private purpose shall be billed by the Company.

He shall not be entitled for any sitting fees for meeting of the Board or of any committee thereof attended by him. In the event of loss or inadequacy of profits in any financial year(s), the aforesaid remuneration shall be paid as minimum remuneration in accordance with the provisions of Companies Act, 2013. The Board of Directors may revise upwards, the remuneration from time to time, within the maximum permissible limit under Schedule V of the Companies Act, 2013, but not exceeding Rs. 60000/- p.m. excluding perquisites.

No Director and Key Management Personnel, except Mr. K N Khandelwal, Mr. Dinesh Khandelwal, and Mr. Vishwa Nath Khandelwal being relative to each other, are concerned and interested in the resolution. Details of Dinesh Khandelwal seeking re-appointment:-

DOB	06/18/1931
Designation	Whole-time Director (Finance) & CFO
Date of Birth	01.06.1953
Age	70 years
Qualification	Commerce Graduate
Date of first appointment on Board	24.04.1981
Brief resume and Justification /Expertise in specific functional areas of Director	One of the promoter Directors, associated with the Company since inception, Experience of over 41 years in Company's finances, banking and commercial functions. Devotes full time attention in the Company's affairs. His appointment shall be helpful as his contribution is needed for revival of the Company from present stress.
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 2021-22	4
Remuneration last drawn (FY 2021-22)	Details in Form MGT-9

# KHANDELWAL EXTRACTIONS LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's 40<sup>th</sup> Annual Report and Audited Financial Statements for the financial year ended March 31<sup>st</sup>, 2022.

### 1. FINANCIAL RESULTS

	(Rs. in Lakhs)
Other Income	154.16
Loss before Interest and Depreciation	52.99
Less : Interest	7.20
Depreciation	3.01
Tax Expense (including Deferred Tax)	13.07
Profit after tax	29.71
Other Comprehensive Income/(Loss)	-
Total Comprehensive Income/(Loss)	29.71

### 2. HIGHLIGHTS OF PERFORMANCE

During the year under review, Pursuant to approval of Board of Directors/ Audit Committee/Committee of Board of Directors, the Company has completed the sale of Plant & Machinery, Stores and Spares of the Company and leased out all godowns of the Company situated at Akrapur-Magarwara, Distt. Unnao, which resulted in profit before interest and depreciation of Rs. 52.99 Lacs. After adjustment of Interest, depreciation and tax, the year resulted in profit of Rs. 29.71 lakhs as compared to loss of Rs. 25.27 lakhs in the previous year. The Company's assessment under Income Tax Act, 1961 is completed upto A.Y. 2021-22 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 manufacturing was totally closed.

### 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 2021-22, has been drawn in terms of provisions of the Ind-AS.

### Future Outlook:

The present lease agreements are upto 31.08.2022 but the management expects possibilities of its further renewal.

### 3. TRANSFER TO RESERVES

The Company has retained the amount of Rs. 29.71 lakhs in the Profit and Loss Account and no amount has been transferred to General Reserve.

### 4. DIVIDEND

Due to accumulated losses, the Board of Directors do not recommend any 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 2022, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

### 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Vishwa Nath Khandelwal (DIN: 00161893), Whole-time Director (Works), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment to the Board.

The tenure of Mr. Dinesh Khandelwal designated as Whole-time Director (Finance) & CFO, who was appointed for three (3) years w.e.f 1<sup>st</sup> April, 2020 will expire on 31<sup>st</sup> March 2023. The Board on the recommendation of Nomination and Remuneration Committee has recommend for his re-appointment as Whole-time Director (Finance) & CFO for three (3) years period from 01.04.2023 on the remuneration detailed in the notice of AGM, subject to approval by members in the general meeting. Your Directors recommend the resolution for re-appointment of Mr. Dinesh Khandelwal for your approval.

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.

- Mr. Dinesh Khandelwal, Whole-time Director (Finance) & CFO; Mr. Vishwa Nath Khandelwal (DIN: 00161893), Whole-time Director (Works) and Mr. Mohit Srivastava 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 Company's business at present is limited to leasing out the godowns which have limited risk. As leasing to a renowned corporate has little risk.

### 12. INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal control relating to purchase/repairs & maintenance items 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 the Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the 35th Annual General Meeting (AGM) held on September 23, 2017 until the conclusion of the 40th AGM of the Company to be held during the current year 2022.

Subject to the approval of the members of the Company, the Audit Committee and the Board of Directors during their respective meetings held on August 13, 2022 have considered and recommended the appointment of M/s. P.L. Tandon & Co.,



## KHANDELWAL EXTRACTIONS LIMITED

Kanpur, Chartered Accountants, (ICAI Registration No 000186C), as the Statutory Auditors of the Company, to hold office from the conclusion of the 40th Annual General Meeting until the conclusion of the 45th Annual General Meeting of the Company to be held in year 2027.

M/s. P.L. Tandon & 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).

M/s. P.L. Tandon & Co., Kanpur, Chartered Accountants, (ICAI Registration No 000186C), have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

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, 2022 which requires any clarification or explanation by the Board of Directors.

### 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, 2022. 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.

### 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 had closed manufacturing operations in 2018. During the year all the plant and machineries and stores and spare parts have been sold. It has leased out all godowns of the Company situated at Akrampur-Magarwara, Distt. Unnao.

### 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, 2022 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 26.06.2021, 14.08.2021, 13.11.2021 and 12.02.2022. 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 five times during the year on 26.06.2021, 05.07.2021, 14.08.2021, 13.11.2021 and 12.02.2022. 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 one time during the year on 12.02.2022. 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 25.03.2022 to take note of investor complaints/grievances. All the members were present in the meeting.
- e. Independent Directors held a meeting on 25.03.2022 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. 2021-22.

#### vi. CONSERVATION OF ENERGY

Not Applicable.

#### vii. TECHNOLOGY ABSORPTION

Not Applicable.

#### 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. 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.

#### 24. ENVIRONMENT AND SAFETY

In the present business there is no generation of pollution of any sort. Security personnel are duly employed for safety of godowns/assets.

#### 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 2021-22 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

The present leasing agreements are upto August, 2022 and management expects for extension/renewal of the agreement.

#### 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: 13.08.2022

# KHANDELWAL EXTRACTIONS LIMITED

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022

Annexure - I

[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, 2022 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, 2022 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. Plant, machinery and spares were sold during the year; During the year the company leased out all its godowns on rent;
- (ii) Future events or conditions may cause the Company to cease to continue as going concern.
- (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 : 03.08.2022

UDIN : A004933D000732847

**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.)**

Practicing Company Secretary

ACS No.:4933; C P No.:1405

Place : Kanpur

Date : 03.08.2022

UDIN : A004933D000732847

# KHANDELWAL EXTRACTIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### To the Members of KHANDELWAL EXTRACTIONS LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of KHANDELWAL EXTRACTIONS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, 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, 2022, and profit, 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.

##### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report etc., but does not include the financial statements and our auditor's report thereon. The Director's Report including Annexures to Director's Report etc. is not made available to us till the date of this report and is expected to be made available to us after the date of this Auditors' Report.

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

##### Responsibility of Management for 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, 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 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.

##### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss 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.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer note no.32 to the financial statements
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 33 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - iv (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no. 34 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) above contain any material misstatement.
  - v The company has not declared or paid any dividend during the year.

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

**Rajendra Gupta (PARTNER)**  
Membership Number: 073250  
UDIN NO. 22073250AJTZE1780

Place: Kanpur  
Date: 28-05-2022