

KHANDELWAL EXTRACTIONS LIMITED



43rd ANNUAL REPORT
2024-2025

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 (till 28-09-2024)
- PRAKHAR PANDEY - Independent Director
- REKHA KEJRIWAL - Independent Director (till 28.09.2024)
- SURABHI TULI - Independent Director w.e.f. 28.09.2024
- GOPESH SAHU - Independent Director w.e.f. 28.09.2024

COMPANY SECRETARY

SATYANSHA DUBEY till 31.08.2024

NIDA KHATOON w.e.f. 02.09.2024

CIN : L24241UP1981PLC005282

Website : www.khandelwalextractions.com

REGISTERED OFFICE :

51/47, NAYAGANJ, KANPUR – 208 001

Email : kelknp@yahoo.com

WORKS :

AKRAMPUR – MAGARWARA

DISTT. UNNAO (UTTAR PRADESH)

AUDITORS :

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

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KHANDELWAL EXTRACTIONS LIMITED

NOTICE is hereby given that the 43rd Annual General Meeting of Khandelwal Extractions Ltd. will be held at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur-208014 on Wednesday, the 24th September, 2025 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, 2025 and Report of the Board of Directors and Auditors' thereon.
- To appoint a Director in place of Mr. Dinesh Khandelwal (DIN: 00161831), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

- Appointment of M/s. Banthia & Co. (C.P.No. 1405) as Secretarial Auditor of the company** To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), other applicable laws/statutory provisions, if any, as amended from time to time, M/s. Banthia & Co. (C.P. No. 1405) Company Secretaries in Practice, be and are hereby appointed as Secretarial Auditors of the Company for term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such remuneration as may be mutually agreed between the board of Directors and the Secretarial auditor.

"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."

- Re-appointment of Mr. Dinesh Khandelwal (DIN: 00161831) as Whole-time Director (Finance) & CFO**

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

"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 01.04.2026, 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."

Regd. Office:

51/47, Nayaganj, Kanpur – 208001
Dated: 12th August, 2025

By order of the Board of Directors

Nida Khatoun
Company Secretary and Compliance Officer
M.No. A70498

NOTES:

- The Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 ("the Act"), with respect to the Special Businesses set out in the Notice is annexed hereto.
- 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. Proxies submitted on behalf of the Companies must be supported by an appropriate resolution/authority as applicable.
- Only Members / Proxies / Representatives / Invitees of the Company are permitted to attend the Meeting at the venue. Attendance of any other individuals, including relatives and acquaintances accompanying Members, is strictly prohibited.
- The Register of members and Share Transfer books of the Company will remain closed from **18th September, 2025 to 24th September, 2025** (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.
- In continuation with the MCA General Circulars No. 20/2020 dated May 5, 2020, SEBI Circular Nos. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated Jan 15, 2021 and in accordance with the General Circular No. 09/2024 dated Sep 19, 2024 SEBI/HO/CFD/PoD-2 PCIR/2024/133 dated Oct 3, 2024 the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the financial year ended March 31, 2025 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same.
- 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. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and Notice is also available on the website of CDSL (agency for providing Remote e-Voting facility) i.e. www.evotingindia.com.
- 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 Alankit House, 4E/2, 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.

- For shares held in electronic form, to their Depository Participants ("DPs")
- Pursuant to the provisions of SEBI circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023 w.r.t. "Common and Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination", all the shareholders holding shares in physical form are requested to approach for furnishing their PAN, Nomination, Contact details, Bank Account Details and specimen signature for their corresponding folio numbers etc. To the Registrar and Transfer Agent of the Company ("RTA") viz. M/s Alankit Assignments Limited in the format/mode as prescribed under above mentioned SEBI Circular. The shareholders can also reach the RTA of the Company at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055 or contact via Phone: 91-11-4254 1234, E-mail: rtat@alankit.com. Shareholders holding shares in dematerialized form are requested to approach their respective depository participants for updating above mentioned details.
 - As per the provisions of Section 72 of the Act and SEBI Circular dated November 3, 2021, the facility for making nominations 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. 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.
 - Members may further note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate, claim from unclaimed suspense account, splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition etc. 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. It may be noted that any service requested can be processed only after the folio is KYC compliant. In light of the above and to eliminate risks associated with holding physical share certificates, members are strongly advised to dematerialise their physical shareholdings to ensure a safer and more efficient mode of holding and managing their securities.
 - Members holding shares in physical form are requested to note that in terms of Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and in order to eliminate risks associated with physical transfer of securities, shareholders holding equity shares of the Company in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's Registrar and Share Transfer Agent ("RTA") for assistance in this regard.
 - 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 cutoff date i.e. **17th September, 2025**. 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 remote e-voting period commences at 10.00 a.m. IST on Sunday, September 21, 2025 and ends at 5.00 p.m. IST on Tuesday, September 23, 2025. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Wednesday, September 17, 2025, may cast their vote electronically in the manner and process set out here in above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - 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 and on the website of CDSL 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. 24th September, 2025.
 - 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.
 - 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.
 - 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

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

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 2025 (10:00 a.m.) and ends on 23rd September 2025 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17th September 2025 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 will 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.

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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.

(iv) In terms of SEBI circular no. SEBI/IO/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:

Type of share holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit cdl website www.cdslindia.com and click on login icon My Easi New (Token) Tab. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the 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 or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers website directly. If the user is not registered for Easi/Easiest option to register is available at cdl website www.cdslindia.com and click on login My Easi New (Token) Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> If you are already registered for NSDL e-Voting facility, please visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://services.nsdl.com either on a Personal Computer or on a mobile. Once the home page of the services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "e-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 redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. If the user is not registered for e-DeAS e-Voting, option to register is available at https://services.nsdl.com/SecureWebIdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 where 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. For OTP based login you can click on https://services.nsdl.com/SecureWebIdeasDirectReg.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site where 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 or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 through their Depository Participant website, 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 above mentioned 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 2109911
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 evoting@nsdl.co.in or call at : 022 4886 7000 and 022 2499 7000

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 Remote 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.
- 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 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"> 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.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company record in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> 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.

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.
- There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- 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 and register themselves in the "Corporates" module.
 - Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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.
 - List of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorizing to vote, to the Scrutinizer, and to the Company at the email address viz.kelrnp@yahoo.com (designated email address by company), if they have voted from individual but not uploaded same in the CDSL e-voting system for the

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 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).
- Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. 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 or call at toll free no. 1800 2109911.

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

Item No. 3
Appointment of M/s. Banthia & Co. (C.P.No. 1405) as Secretarial Auditor of the company
 The Board of Directors of the Company after deliberating and considering various factors such as industry experience, professional competence, efficiency in conduct of audit, and independence, at its meeting held on May 29, 2025, approved the proposal to appoint M/s. Banthia & Co., Practising Company Secretaries (Mr. G.K. Banthia, Proprietor, C.P.No. 1405) as the Secretarial Auditor of the Company for a term of five consecutive financial years, commencing from April 1, 2025, to March 31, 2030, subject to approval of members at 43rd Annual General Meeting of Company. The proposed remuneration shall not exceed Rs. 30,00,000/- (Rupees Thirty Thousand and only, including out-of-pocket expenses as actuals and GST) for the financial year 2025-26, and for the subsequent years of the term, as may be mutually agreed between the Board of Directors and the Secretarial Auditors.

Brief profile of M/s. Banthia & Co. - Mr. Gautam Kumar Banthia, Proprietor of Banthia & Company, is a Practising Company Secretary since 1988. He has extensive professional experience with various corporate entities in areas of secretarial audit, statutory certifications, and compliance-related matters. His expertise includes advisory on corporate laws such as the Companies Act, SEBI Regulations, and the Securities Contracts (Regulation) Act. He also provides support in drafting legal pleadings and works in collaboration with advocates in matters before Courts, NCLT, SAT, and Arbitration Tribunals.

M/s. Banthia & Co. have furnished their consent to act as the Secretarial Auditor of the Company and confirmed their eligibility under Section 204 of the Companies Act, 2013 read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Board recommends the resolution set out at item no. 3 as an Ordinary Resolution for approval of members. None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

Item No. 4
Re-appointment of Mr. Dinesh Khandelwal (DIN-00161831) as Whole-time Director (Finance) & CFO
 Mr. Dinesh Khandelwal, aged 72 years, has been associated with the Company since its inception and is presently serving as the Whole-time Director (Finance) & Chief Financial Officer (CFO). He was appointed to this position for a term of three years with effect from April 1, 2023, pursuant to the approval accorded by the members at the 40th Annual General Meeting held on 24th September, 2022. His current tenure is scheduled to expire on 31st March, 2026. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the re-appointment of Mr. Dinesh Khandelwal as Whole-time Director (Finance) & CFO for a further period of three (3) years with effect from April 1, 2026, on a remuneration package that is within the limits prescribed under Schedule V of the Companies Act, 2013.

A special resolution is being proposed to the members to seek fresh approval for this re-appointment at the ensuing general meeting. The Nomination and Remuneration Committee and the Board of Directors have recommended the re-appointment of Mr. Dinesh Khandelwal, considering his rich experience, financial expertise, and significant contribution to the Company's growth and success. The following are the terms and conditions as regards to salary and perquisites payable to him:

- Category - A:**
- Salary: Rs. 30,00,000/- per month
 - 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 purposes 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. 60,00,000/- p.m. excluding perquisites.

No Director or Key Management Personnel, except Mr. K. K. Khandelwal, Mr. Dinesh Khandelwal, and Mr. Vishwa Nath Khandelwal being relative to each other, are concerned and interested in the resolution.

DIN	00161831
Designation	Whole-time Director (Finance) & CFO
Date of Birth	01.08.1953
Age	72 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 44 years in Company's finances, banking and commercial functions. Devotes full time attention to 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
Listed entities from which the person has received remuneration in the past three years	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 2024-25	4
Remuneration last drawn (FY 2024-25)	Details in Form MGT-9

KHANDELWAL EXTRACTIONS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Company's 43rd Annual Report and Audited Financial Statements for the financial year ended March 31st, 2025.

1. FINANCIAL RESULTS (Rs. in Lakhs)

Income from Operations	72.81
Other Income	18.52
Profit before Interest and Depreciation	43.32
Less : Interest	1.25
Depreciation	2.51
Tax Expenses (including Deferred Tax)	9.96
Profit after tax	29.60
Other Comprehensive Income/(Loss)	-
Total Comprehensive Income/(Loss)	29.60

2. HIGHLIGHTS OF PERFORMANCE

During the year, the Company's working resulted in profit before interest and depreciation of Rs. 43.32 Lakhs. After adjustment of interest, depreciation and tax, the year resulted in profit of Rs. 29.60 lakhs as compared to the profit of Rs. 34.04 lakhs in the previous year. The Company's assessment under Income Tax Act, 1961 is completed up to A.Y. 2024-25 and there was no outstanding demand.

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 2024-25, have been drawn in terms of provisions of the Ind-AS.

Future Outlook:

The Company has renewed the lease of its godown premises at Magarwara, Unnao (Godown Nos. 1, 3, 5, 6, 7 & 8, covering a total area of approximately 49,511 sq. ft) with Godrej Agrovet Limited for a further period of 11 months, effective from June 1, 2025. The lease renewal ensures continued rental income and optimum utilization of available infrastructure. Godown Nos. 2 & 4 are currently vacant, and efforts to lease out these premises are actively underway. The Company remains committed to maximizing asset efficiency and anticipates positive developments in the near future.

3. TRANSFER TO RESERVES

The Company has retained the amount of Rs. 29.60 lakhs in the Profit and Loss Account and no amount has been transferred to General Reserve.

4. DIVIDEND

During the year, 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 31st March 2025, 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 there under, Mr. Dinesh Khandelwal (DIN: 00161831), Whole-time Director & CFO 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 1st April, 2023 will expire on 31st March 2026. 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 01.04.2026 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.

During the Financial Year 2024-25 there were following changes in the composition of Board of Directors:-

Mrs. Rekha Kejriwal and Mr. Ashok Gupta, Independent Directors of the Company, ceased to be Directors with effect from 28th September 2024 upon completion of their second term. The Board appointed Mrs. Surabhi Tuli and Mr. Gopesh Sahu as Additional Directors in the capacity of Independent Directors with effect from 12th August 2024 for a term of five years. Their appointments were subsequently approved by the shareholders at the Annual General Meeting held on 28th September 2024.

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. Ms. Satyansha Dubey has resigned from the position of Company Secretary and Compliance Officer w.e.f. 31.08.2024, which was duly noted by the Board in its meeting held on 12.08.2024. The Board places on record its appreciation for the efforts and contribution received from Ms. Satyansha Dubey during her tenure as the Company Secretary and Compliance Officer of the Company.

c. Mrs. Nida Khatoon, a qualified Company Secretary has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f 02.09.2024 and the board took note of the same in its meeting held on 12.08.2024. She has joined as Company Secretary and Compliance Officer w.e.f 02.09.2024 in place of Ms. Satyansha Dubey who

has resigned from the same post w.e.f 31.08.2024. The aforesaid appointment has been made pursuant to a detailed evaluation by the Nomination and Remuneration Committee members and their unanimous recommendation to the Board.

d. Mr. Dinesh Khandelwal (DIN: 00161831), Whole-time Director (Finance) & CFO; Mr. Vishwa Nath Khandelwal (DIN: 00161893), Whole-time Director (Works) and Ms. Satyansha Dubey (A67216), Company Secretary and Compliance Officer till 31.08.2024 and Mrs. Nida Khatoon (A70498) Company Secretary and Compliance Officer w.e.f 02.09.2024 are the Key Managerial Personnel of the Company for the F.Y. 2024-25.

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, Non-Independent Directors and board as a whole.

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 entity 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/ Vigil Mechanism 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. P.L. Tandon & Co., Kanpur, Chartered Accountants, (ICAI Registration No 000186C) were appointed as the Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the 40th Annual General Meeting (AGM) held on September 24, 2022 until the conclusion of the 45th AGM of the Company to be held in year 2027.

No frauds are reported by auditors under Section 143(12) of the Companies Act, 2013 in the Auditors' Report for the financial Year ended 31st March, 2025.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report for the financial year ended 31st March, 2025 which requires any clarification or explanation by the Board of Directors.

KHANDELWAL EXTRACTIONS LIMITED

The Auditors' Report is enclosed with the financial statements in this Annual Report.

17. SECRETARIAL AUDIT AND THEIR 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 31st March, 2025. 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.

Further the Board at its meeting held on 29th May, 2025 has appointed M/s. Banthia & Co. (C.P.No. 1405) Company Secretaries in Practice, as Secretarial Auditors of the Company to conduct the secretarial audit of the company for a continuous period of 5 Financial Years starting from April 1, 2025 till March 31, 2030 on such remuneration as may be mutually agreed between board of Directors and the Secretarial auditor any, subject to the approval of the members of the company at the ensuing Annual General Meeting.

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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departure;
- 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 profit of the Company for the same period;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- 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. On reassessment of VAT cases For F.Y.2016-17& 2017-18, tax liability of 24.24 Lakhs has been assessed and adjusted against VAT refund due. The Company has filed appeal in the matter before appropriate/competent authority. It is noted that although the Hon'ble Supreme Court has ruled in favor of the assessee and the matter stands resolved in principle, the Company has not yet received any refund pertaining to deposits made against demand or the pending refund of excess input tax credit. The matter continues to be followed up with the VAT /GST department.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the year.

22. 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 31st March, 2025 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 COMMITTEES HELD DURING THE YEAR

- The Board of Directors met four times during the year, on 27.05.2024, 12.08.2024, 13.11.2024, and 13.02.2025. The Board was duly constituted in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ashok Gupta and Mrs. Rekha Kejriwal ceased to be Directors with effect from 28.09.2024. Mr. Gopesh Sahu and Mrs. Surabhi Tuli were appointed as Additional Directors with effect from 12.08.2024, and their appointments as Independent Directors were subsequently approved by the shareholders at the Annual General Meeting held on 28.09.2024. Both Directors have attended all meetings held thereafter. During the year under review, the composition of the Board remained in compliance with the applicable provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Audit Committee, constituted under Section 177 of the Companies Act, 2013, comprising Mr. Ashok Gupta as Chairman, and Mr. Prakhar Pandey and Mr. K.N. Khandelwal as members, met four times during the year on 27.05.2024, 12.08.2024, 13.11.2024, and 13.02.2025. The Audit Committee was duly constituted in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ashok Gupta ceased to be a Director with effect from 28.09.2024 upon completion of his second term. Mr. Gopesh Sahu was appointed as an Additional Director with effect from 12.08.2024, and his appointment as an Independent Director was subsequently approved by the shareholders at the Annual General Meeting held on 28.09.2024. Upon the cessation of Mr. Ashok Gupta, Mr. Gopesh Sahu was appointed as Chairman of the said Committee with effect from 28.09.2024 and has attended all meetings held thereafter.
- During the year, the Nomination and Remuneration Committee, comprising Mr. Ashok Gupta as Chairman and Mr. Prakhar Pandey and Mr. K.N. Khandelwal as members,

held one meeting on 12.08.2024, which was duly constituted and validly held. Mr. Gopesh Sahu was appointed as an Additional Director with effect from 12.08.2024, and his appointment as an Independent Director was subsequently approved by the shareholders at the Annual General Meeting held on 28.09.2024. Upon the cessation of Mr. Ashok Gupta, Mr. Gopesh Sahu was appointed as Chairman of the Committee with effect from 28.09.2024 and has attended all meetings held thereafter.

d. The Stake Holders Relationship Committee consisting of Mr. Gopesh Sahu, Chairman; Mr. K.N. Khandelwal and Mr. Dinesh Khandelwal met once on 20.03.2025 to take note of investor complaints/grievances. All the members of the said committee were present in the meeting.

e. Independent Directors held a meeting on 20.03.2025 to assess /evaluate the performance of Chairman, Non-Independent Directors and board as a whole 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. 2024-25.

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 PERSONNEL

Details of remuneration paid to Directors, KMPs are given in Form No. MGT-7 (copy of which is 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. The Board appointed Mr. Gopesh Sahu and Mrs. Surabhi Tuli as an additional director in the capacity of Independent Director w.e.f 12.08.2024 on the recommendations of Nomination and Remuneration Committee and their appointment was approved by the shareholder at the AGM held on 28.09.2024. They were entitled to sitting fees as decided by the Nomination and Remuneration Committee. 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.

23. 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.

24. 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 2024-25 to the said stock exchange.

25. DEMATERIALIZATION OF SHARES/APPOINTMENT OF RTA

The Company has 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 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.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has successfully renewed the lease of its godown premises located at Magarwara, Unnao (Godown Nos. 1, 3, 5, 6, 7 & 8, covering a total area of approximately 49,511 sq. ft.) with Godrej Agrovet Limited for a further period of 11 months, effective June 1, 2025. This lease renewal ensures continued rental income and reflects the Company's focus on the optimal utilization of available infrastructure. Godown Nos. 2 and 4 are currently vacant, and efforts to lease out these premises are actively underway. The Company remains committed to maximizing asset efficiency and anticipates positive developments in the near future.

27. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARD

The Company has complied with Secretarial Standards issued by the ICSI viz. SS-1 on Meeting of the Board of Directors and SS-2 on General Meetings

28. ACKNOWLEDGMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Kanpur
Date: 12.08.2025

K N KHANDELWAL
(CHAIRMAN)
DIN: 00037250

KHANDELWAL EXTRACTIONS LIMITED

Annexure - I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2025

[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, NayaGanj
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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 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.

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 31st March, 2025 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. SDD Non Complaint Company displayed by BSE on get Quote on BSE Portal during the year removed after company's representations, BSE virtual inspection in May, 24. 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. Letters to members also issued in terms of SEBI vide Circular No. SEBI / HO /MIRSD/ MIRSD_RTAMB /P /CIR /2021/ 655 dated November 3, 2021 (read with clarification issued by SEBI vide Circular No. SEBI / HO/ MI RSD/ MIRSD_RTAMB / P/ CIR/ 2021/ 687 dated December 14, 2021, furnishing of PAN, KYC details,

Nomination details and Bank details etc. by shareholders holding shares in physical form.

(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; the company leased out all its godowns on rent and same continues.

(ii) Future events or conditions may cause the Company to cease to continue as going concern.

(iii) On reassessment of VAT cases For F.Y.2016-17 & 2017-18, tax liability of 24.24 Lacs has been assessed and adjusted against VAT refund due. The Company has filed appeal in the matter before appropriate/competent

authority. The Hon'ble Apex Court in similar matter/ facts has ruled against the GST Department. Hence, all claims of GST are extinguished and Company expects to get refund after the Department finalizes the cases and follow up continues up with the concerned department.

Place : Kanpur	Signature
Date : 07.08.25	Banthia And Company
UDIN: A004933G000953201	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, NayaGanj
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. which relates to the period ending March Thirty First Two Thousand Twenty Five (31.03.25) except stated otherwise.

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.

Place : Kanpur	Signature
Date : 07.08.25	Banthia And Company
UDIN: A004933G000953201	G.K.Banthia (Prop.)
	ACS No.:4933; C P No.:1405

KHANDELWAL EXTRACTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

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 2025, 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 material 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, 2025, 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone IndAS financial statements for the year ended March 31 2025. These matters were addressed in the context of our audit of the standalone Ind AS financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that there are no key audit matters to communicate in our report.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report 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.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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:

- 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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 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.
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no.29 to the financial statements
 - 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.

iv(a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no.6.1 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.14.1 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 the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv) (b) above contain any material misstatement.

v The company has not declared or paid any dividend during the year.

vi Based on our examination which included test checks, the company has used accounting software for maintaining its books of account but audit trail feature of accounting software used by the company is still under implementation as on 31st March 2025.

For P.L. Tandon & Co.
Chartered Accountants
Firm's Registration No.- 000186C

P.P.SINGH
(Partner)
(Membership No. - 072754)
UDIN 25072754BMJPL1295

Place: Kanpur
Date: 29-05-2025

KHANDELWAL EXTRACTIONS LIMITED

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT
Re : KHANDELWAL EXTRACTIONS LIMITED**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2025, we report that:

- i. In respect of its Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The company does not have any intangible assets and therefore provision of paragraph 3(ii)(a)(B) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
- (b) All the property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company except details below:

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is promoter or director or relative of Promotor/Directors or Employees of Promotor/Directors	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold Land	Rs. 1.55 lacs	Khandelwal Extractions Private Limited	NO	05-05-1981	The registration process of transfer of name is still in progress as on 31.03.2025

- (d) According to the information and explanations given to us, the company has not revalued its property, plant and equipments (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, the company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder. Therefore provisions of paragraph 3(i) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.
- ii(a) In respect of its Inventories:
 - The company does not have any inventories and Therefore provisions of paragraph 3(ii) (a) of the Companies(Auditor's Report) Order, 2020 are not applicable to the company.
 - (b) The company has not been sanctioned working capital limits in excess of five crores rupees during the year in aggregate from banks and financial institutions on the basis of security of current assets. Therefore provisions of paragraph 3(ii)(b) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
- iii (a) In respect of loans secured or unsecured, investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties, according to the information and explanations given to us:
 - The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and therefore provisions of paragraph 3(iii)(a) to 3 (iii)(e) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
 - (f) The company has not granted loans or advances in the nature of loans to promoters, related parties as defined in clause (76) of section 2 of the companies act 2013 which are repayable demand or without specifying any terms or period of repayments. Therefore provisions of paragraph 3 (iii)(f) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
- iv In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, with respect to the loans and investments made.
- v In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Therefore, the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- vi The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 for the products of the company.
- vii According to the information and explanations given to us, in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, services tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other Statutory dues were in arrear as at 31st March, 2025 for a period more than six months from the date they became payable.
 - (b) According to the records of the company, goods and services tax, provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Add Tax, Cess which have not been deposited on account of any dispute, are as follows.

Name of the Statute	Nature of the Dues	Amount	Period to which the amount Relates	Forum where dispute is pending
Central sales/vat Act	VAT (U.P)	Rs. 16.71 lacs	01-04-2011 to 31-03-2012	Additional Commissioner Gr-2 (Appeal) 2 nd Commercial Tax, Kanpur.

- viii According to the information and explanations given to us, there is no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us, the company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the company has not obtained any term loan during the year. Therefore, the provisions of paragraph 3 (ix) (c) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- (d) According to the information and explanations given to us, and the procedure performed by us, and on the overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) According to the information and explanations given to us and procedure performed by us, the company does not have any subsidiary, joint venture or associate companies and therefore the provisions of paragraph 3 (ix)(e) and 3(x) (f) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- x(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of paragraph 3(x)(a) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- (b) According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Therefore provisions of paragraph 3(x)(b) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xi (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act, has been filed by auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no Whistle blower complaints received by the company during the year.
- xii In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, the provisions of paragraph 3 (xii) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi(a) The Company is not required to be registered under section 45 –A of the Reserve Bank of India Act 1934.
- (b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India.
- (c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Therefore provisions of paragraph 3 (xvi)(c) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- (d) According to the information and explanations given to us, the company's group does not have more than one Core Investment Company (CIC) as part of the group.
- xvii The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and therefore the provisions of paragraph 3(xviii) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx(a) According to the information and explanations given to us and based on such audit procedures we have considered reasonable and appropriate in the circumstances, section 135 of companies act is not applicable to the company. Therefore provisions of paragraph 3 (xx)(a) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- (b) In view of our comments in paragraph 3(xx)(a) above, the provisions of paragraph 3 (xx)(b) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xxi The company does not have any subsidiary, associate or joint venture company and therefore provisions of paragraph 3 (xxi) (a) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.

For P.L. Tandon & Co.
Chartered Accountants
Firm's Registration No.- 000186C

Place: Kanpur
Date: 29-05-2025

P.P.SINGH
(Partner)
(Membership No.- 072754)
UDIN 25072754BMJPLG1295

**Annexure - B to the Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KHANDELWAL EXTRACTIONS LIMITED ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. Tandon & Co.
Chartered Accountants
Firm's Registration No. - 000186C

Place: Kanpur
Date: 29-05-2025

P.P.SINGH
(Partner)
(Membership No. - 072754)
UDIN 25072754BMJPGL1295

KHANDELWAL EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2025

	NOTES	As At 31.03.2025 Rs. In lacs	As At 31.03.2024 Rs. In lacs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	56.14	58.65
Deferred Tax Assets (net)	12	8.30	18.26
Bank Balances	5	53.89	-
TOTAL NON CURRENT ASSETS		<u>118.33</u>	<u>76.91</u>
Current Assets			
Financial Assets:			
Trade Receivable	3	0.09	-
Cash and Cash equivalents	4	17.25	6.61
Bank Balances	5	142.82	201.00
Loans	6	10.00	24.00
Other Financial Assets	7	4.14	4.14
Total Financial Assets		<u>174.30</u>	<u>235.75</u>
Current Tax Assets (Net)	8	9.10	10.01
Other Current Assets	9	50.09	58.43
TOTAL CURRENT ASSETS		<u>233.49</u>	<u>304.19</u>
TOTAL ASSETS		<u>351.82</u>	<u>381.10</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	88.01	88.01
Other Equity	11	203.73	174.13
TOTAL EQUITY		<u>291.74</u>	<u>262.14</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities:			
Borrowings	14	-	48.00
Trade Payables	13	6.04	5.77
Other Financial Liabilities	14	-	4.25
Total Financial Liabilities		<u>6.04</u>	<u>58.02</u>
Other Current Liabilities:			
Other Current Liabilities	15	54.04	60.94
TOTAL CURRENT LIABILITIES		<u>60.08</u>	<u>118.96</u>
TOTAL LIABILITY		<u>351.82</u>	<u>381.10</u>

Accounting policies and notes on financial statements 1 to 39

As per our report of even date attached

For P. L. Tandon & Co.
Chartered Accountants
Registration No. 000186C

PRITHI PAL SINGH
(Partner)
Membership No. 072754

Place: Kanpur
Date: 29.05.2025

NIDA KHATOON
(Company Secretary)
M. No. A70498

DINESH KHANDELWAL
(Director- Finance & CFO)
DIN : 00161831

V.N. KHANDELWAL
(Whole Time Director)
DIN : 00161893

K.N. KHANDELWAL
(Chairperson)
DIN : 00037250

GOPESH SAHU
(Independent Director)
DIN : 08048317

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

	Notes	Year Ended 31.03.2025 Rs. In lacs	Year Ended 31.03.2024 Rs. In lacs
INCOME			
Revenue from operations	16	72.81	78.40
Other Income	17	<u>18.52</u>	<u>22.94</u>
Total Income		<u><u>91.33</u></u>	<u><u>101.34</u></u>
EXPENSES:			
Employees Benefits Expense	18	26.92	26.93
Finance cost	19	1.25	4.72
Depreciation and amortization expense		2.51	3.29
Other Expenses	20	<u>21.09</u>	<u>19.29</u>
Total Expenses		<u><u>51.77</u></u>	<u><u>54.23</u></u>
Profit before Tax		39.56	47.11
Tax Expenses:			
Current Tax		-	-
Deferred Tax		<u>9.96</u>	<u>13.07</u>
Profit for the Year		<u><u>29.60</u></u>	<u><u>34.04</u></u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u><u>29.60</u></u>	<u><u>34.04</u></u>
Earning per equity share of Rs 10 each			
Basic and Diluted (In Rs)	22	<u><u>3.48</u></u>	<u><u>4.00</u></u>
Accounting policies and notes on financial statements	1 to 39		

As per our report of even date attached

For P. L. Tandon & Co.
Chartered Accountants
Registration No. 000186C

PRITHI PAL SINGH
(Partner)
Membership No. 072754

Place: Kanpur
Date: 29.05.2025

NIDA KHATOON
(Company Secretary)
M. No. A70498

DINESH KHANDELWAL
(Director- Finance & CFO)
DIN : 00161831

V.N. KHANDELWAL
(Whole Time Director)
DIN : 00161893

K.N. KHANDELWAL
(Chairperson)
DIN : 00037250

GOPESH SAHU
(Independent Director)
DIN : 08048317

KHANDELWAL EXTRACTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

	2024-25 Rs. In Lacs	2023-24 Rs. In Lacs
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	39.56	47.11
Adjustments for:		
Interest Income	(18.49)	(22.05)
Dividend Income	(0.03)	(0.02)
Profit on sale of Fixed Assets	-	(0.86)
Finance Cost	1.25	4.72
Depreciation	2.51	3.29
Operating Profit before Working Capital changes	24.80	32.19
Adjustments for:		
(Increase)/Decrease in Trade & Other Receivables	8.25	(10.47)
Increase/(Decrease) in Trade & Other Payables	(6.62)	(3.89)
Cash generated from operations	26.43	17.83
Adjusted for:		
Income Tax Paid (Net)	(2.72)	(1.34)
Net Cash from Operating Activities	29.15	19.17
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(8.44)
Sale of Fixed Assets	-	3.40
Interest Received(Net of TDS)	16.67	19.50
Movement in Fixed Deposit	4.29	(201.00)
Dividend Received	0.03	0.02
Recovery of Loan	14.00	21.00
Net Cash from Investing Activities	34.99	(165.52)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(48.00)	(40.00)
Interest paid including Dividend and Dividend Tax	(5.50)	(5.60)
Net Cash used in Financing Activities	(53.50)	(45.60)
Net Increase/ (Decrease) in Cash & Cash equivalents (A)+(B)+(C)	10.64	(191.95)
Opening Balance of Cash & Cash Equivalents	6.61	198.56
Closing Balance of Cash & Cash Equivalents	17.25	6.61

Notes:

- 1 Cash and Cash Equivalents consists of Cash in hand and balance in bank.
- 2 Reconciliation of Cash and cash Equivalent :
Cash and cash equivalent as per Note No 4.

As per our report of even date attached

For P. L. Tandon & Co.
Chartered Accountants
Registration No. 000186C

PRITHI PAL SINGH
(Partner)
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GOPESH SAHU
(Independent Director)
DIN : 08048317

Place: Kanpur
Date: 29.05.2025

KHANDELWAL EXTRACTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity for the year ended 31st March, 2025

A. Equity Share Capital		Rs. In lacs
Balance at the beginning of the Reporting Period i.e. 01st April, 2024	Changes in equity share capital during the year 2024-25	Balance at the end of the Reporting Period i.e. 31st March, 2025
88.01	-	88.01

Other Equity (Refer Note No 11)

	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
As on 31st March, 2023	50.00	96.25	(6.16)	-	140.09
Balance as at 1st April, 2023	50.00	96.25	(6.16)	-	140.09
Profit/(Loss) for the year	-	-	34.04	-	34.04
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year	-	-	34.04	-	34.04
Balance as at 31st March, 2024	50.00	96.25	27.88	-	174.13
Balance as at 1st April, 2024	50.00	96.25	27.88	-	174.13
Profit/(Loss) for the year	-	-	29.60	-	29.60
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year	-	-	29.60	-	29.60
Balance as at 31st March, 2025	50.00	96.25	57.48	-	203.73

KHANDELWAL EXTRACTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2025

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Khandelwal Extractions Limited (the "Company") is a company domiciled in India and limited by shares (CIN: L24241UP1981PLC005282). The shares of the company are publicly traded on the Bombay Stock Exchange Limited. The address of the company's registered office is 51/47, 3rd floor, Kesharwani Bhawan, Nayaganj, Kanpur-208001. The company is primarily engaged in the business of property given on rent.

1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

1.2 Current and non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

1.3 Revenue recognition

1.3.1 Sales revenue

The company derives revenues primarily from Rent received on factory buildings given on lease.

Ind AS 115 " Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition .

- Identify the contracts(s) with customer:
- Identify the performance obligations.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements, except for the agency services. Because it typically controls the goods or services before transferring them to the customer.

1.3.2 Interest

Interest income is recognised using the Effective Interest Method.

1.3.3 Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

1.3.4 Other Claims

Other claims (including interest on delayed realization from

customers) are accounted for, when there is certainty of realisation.

1.4 Property, Plant and Equipment (PPE)

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

© the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent Measurement

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such derecognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation

Depreciation on property, plant and equipment, except freehold land, is provided on straight line method based on useful life specified in schedule II to the Companies Act, 2013. The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

1.5 Impairment of Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified

KHANDELWAL EXTRACTIONS LIMITED

approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Investment Property

Property (land or a building or part of building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purpose; or sale in the ordinary course of business are classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing cost. Investment properties are depreciated using the written down value method over the estimated useful lives.

1.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.6.1 Financial assets

1.6.1 Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

1.6.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

1.6.3 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.6.4 Financial liabilities

1.6.4.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

1.6.4.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

1.6.4.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

1.6.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.7 Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

1.8 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive Income or equity.

Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax:

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

1.9 Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is

KHANDELWAL EXTRACTIONS LIMITED

provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident fund
- b) Superannuation scheme

(iii) Defined benefit plans

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

a) Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund of the company. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

1.10 Foreign Currency Transactions

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at

the exchange rates prevailing at the transaction date.

1.11 Inventories

i) Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined by using First in First Out (FIFO) method. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods includes excise duty, wherever applicable.
Waste	At net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

- i) Work-in-progress, finished goods and traded goods have been valued as per the principles and basis consistently followed.
- ii) Provision for obsolete/ old inventories is made, wherever required.

1.12 Cash and Cash Equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.13 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.14 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.15 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

KHANDELWAL EXTRACTIONS LIMITED

Applications of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

1.15.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1.15.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
 - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
 - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - (iii) are neutral, i.e. free from bias;
 - (iv) are prudent; and
 - (v) are complete in all material respects on a consistent basis

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) the requirements in Ind ASs dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

1.15.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

1.15.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments,

however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.15.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.15.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

1.15.2.3 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

1.15.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.16 Abbreviation used:

a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	GAAP	Generally accepted accounting principal
f.	Ind AS	Indian Accounting Standards
g.	OCI	Other Comprehensive Income
h.	P&L	Profit and Loss
i.	PPE	Property, Plant and Equipment

KHANDELWAL EXTRACTIONS LIMITED

NON-CURRENT ASSETS

2. PROPERTY, PLANT AND EQUIPMENT

Rs. In lacs

Particulars	Gross Block						
	Opening Balance as on 01.04.2023	Additions made during the year	Deletion made during the year	Balance as on 31.03.2024	Additions made during the year	Deletions/Adjustment made during the year	Balance as on 31.03.2025
Tangible Assets							
Freehold Land	5.46	-	-	5.46	-	-	5.46
Factory Buildings	103.01	-	-	103.01	-	-	103.01
Plant and equipments	4.94	0.77	-	5.71	-	-	5.71
Furniture and Fixtures	1.57	-	-	1.57	-	-	1.57
Vehicles	15.34	7.65	5.70	17.29	-	-	17.29
TOTAL	130.32	8.42	5.70	133.04	-	-	133.04

Particulars	Depreciation Block						
	Upto 31.03.2023	Depreciation for the year	Adjustments during the year	Upto 31.03.2024	Depreciation for the year	Adjustments during the year	Upto 31.03.2025
Tangible Assets							
Freehold Land	-	-	-	-	-	-	-
Factory Buildings	57.31	1.30	-	58.61	1.30	-	59.91
Plant and equipments	4.13	0.39	-	4.52	0.30	-	4.82
Furniture and Fixtures	1.56	-	-	1.56	-	-	1.56
Vehicles	11.26	1.60	3.16	9.70	0.91	-	10.61
TOTAL	74.26	3.29	3.16	74.39	2.51	-	76.90

Particulars	Net Block	
	As at 31st March 2025	As at 31st March 2024
Tangible Assets		
Freehold Land	5.46	5.46
Factory Buildings	43.10	44.40
Plant and equipments	0.89	1.19
Furniture and Fixtures	0.01	0.01
Vehicles	6.68	7.59
TOTAL	56.14	58.65

2.1 NOTE The title deed of immovable property included in property plant & equipment are held in the name of company except the following

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is promotor director or relative of Promotor/Directors or Employees of Promotor/Directors	Property held since which date	Reason for not being held in the name of the company
Property plant and equipment	Freehold Land	Rs.1.55 lacs	Khandelwal Extractions Private Limited	No	05.05.1981	The registration process of transfer of name is in progress as on 31.03.2025

Notes:

(A) The Fair value of investment property is not reliably measurable on continuing basis as the market for comparable properties is inactive.

(B) The estimated fair value in accordance with circle rate fixed by local government authorities is Rs. 625.28 Lacs. However circle rate approved by local authorities.

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2025 Rs. In lacs	As At 31.03.2024 Rs. In lacs
3 TRADE RECEIVABLES(Unsecured Considered Good)	0.09	-
	0.09	-

<i>Trade Receivables Aging Schedule</i>								
Rs in Lacs								
S.no.	Particulars	Outstanding for following periods from due date of payments						Total
		Less than 6 months	6 mon-1 year	1-2 years	2-3 years	More than 3 years	More than 3years	
A	Undisputed trade receivables							
1	Considered Good	0.09	-	-	-	-	0.09	
		(-)	(-)	(-)	(-)	(-)	(-)	
2	Considered Doubtful	-	-	-	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(-)	
B	Disputed trade receivables							
1	Considered Good	-	-	-	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(-)	
2	Considered Doubtful	-	-	-	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(-)	
Total		0.09	-	-	-	-	0.09	
Total Previous Year		(-)	(-)	(-)	(-)	(-)	(-)	

Note:

Figures in brackets are in respect of previous year .

4 CASH & CASH EQUIVALENTS

Balances with Banks

In Current accounts	16.29	5.20
Cash on hands	0.96	1.41
	17.25	6.61

5 Balances with Banks

a) Non Current Assets

In Fixed Deposit with bank (Fixed deposit with maturity period of more than one year)	53.89	-
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b) Current Assets

In Fixed Deposit with bank (Fixed deposit with maturity period of more than three months but less than one year)	142.82	201.00
	196.71	201.00

6 LOANS:

Inter- Corporate Deposits(Unsecured Considered Good)	10.00	24.00
SJP Global LTD. Mathura	10.00	24.00

6.1 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.

7 OTHER FINANCIAL ASSETS:

Security Deposit	4.14	4.14
	4.14	4.14

8 CURRENT TAX ASSETS:

Income Tax Advance	9.10	10.01
	9.10	10.01

9 OTHER CURRENT ASSETS:

Vat Recoverable	5.76	5.76
Vat Disputed Tax Deposited	3.20	3.20
GST Recoverable	34.40	34.40
Interest Receivables	4.90	14.27
Other Advances	1.83	0.80
	50.09	58.43

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2025 Rs. In lacs	As At 31.03.2024 Rs. In lacs
10 SHARE CAPITAL:		
AUTHORISED:		
1000000 Equity Shares of Rs. 10/- each	100.00	100.00
Cumulative Redeemable Preference Shares of Rs 100/- each		
40000 12%	40.00	40.00
10000 10%	10.00	10.00
50000 10.5%	50.00	50.00
	200.00	200.00
ISSUED, SUBSCRIBED & PAID UP		
850100 Equity Shares of Rs. 10/- each	85.01	85.01
Equity Shares Forfeiture A/c	3.00	3.00
	88.01	88.01

Rights , Prefrences and Restriction attach to Equity shares

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

The Reconciliation of number of shares outstanding at the beginning and end of the year:

Particulars			No. of Shares		No. of Shares
Equity Shares at the Beginning of the year in lacs			8.50		8.50
Equity Shares at the end of the year in lacs			8.50		8.50

Details Of Shareholders Holding More Than 5 % Shares

Equity Shares			NIL		NIL
---------------	--	--	-----	--	-----

Shareholding of Promoters

Shares held by promoters at the end of the Year

S.no.	Promoters Name	No. of Shares	% of total shares	% change during the year
1	Kailash Nath Khandelwal	35,000	4.12%	-
2	Vishwa Nath Khandelwal	29,650	3.49%	-
3	Dinesh Khandelwal	42,000	4.94%	-
Total		1,06,650	13%	-

KHANDELWAL EXTRACTIONS LIMITED

	As At 31.03.2025 Rs. In lacs	As At 31.03.2024 Rs. In lacs
11 OTHER EQUITY:		
a CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	50.00	50.00
Balance at the end of the year	50.00	50.00
b GENERAL RESERVE		
Balance at the beginning of the year	96.25	96.25
Balance at the end of the year	96.25	96.25
c Retained Earnings		
Balance at the beginning of the year	27.88	(6.16)
Add: Total Comprehensive Income for the year	29.60	34.04
Balance at the end of the year	57.48	27.88
	203.73	174.13

NOTES TO OTHER EQUITY:

- 11.1 Capital Redemption Reserve represents amount of Preference Capital redeemed.
- 11.2 General Reserve is the free reserve arising out of profit/loss earned by the Company after appropriations till date. This reserve can be utilised in accordance with the provision of the Companies Act 2013.
- 11.3 Retained Earnings represents the cumulative profit of the Company.

NON-CURRENT LIABILITIES

12 DEFERRED TAX LIABILITIES (NET)		
Balance at the beginning of the year	18.26	31.33
Charge/Credit to statement of Profit/Loss	(9.96)	(13.07)
Balance at the end of the year	8.30	18.26

Component of Deferred Tax Liability/Asset Deferred Tax Liability/(Asset) in relation to

Property, Plant & Equipment	10.51	10.80
Unabsorbed Business Losses & Depreciation	(18.81)	(29.06)
	(8.30)	(18.26)

CURRENT LIABILITIES FINANCIAL LIABILITIES

	As At 31.03.2025 Rs. In lacs	As At 31.03.2024 Rs. In lacs
13 TRADE PAYABLES		
To Others	6.04	5.77
	6.04	5.77

KHANDELWAL EXTRACTIONS LIMITED

Trade Payables Aging Schedule						
S.no.	Outstanding for following periods from due date of payments				Amt. in Lacs	
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
1	MSME	0.39	0.63	0.43	4.59	6.04
		[0.42]	[0.76]	[-]	[4.59]	[5.77]
2	MSME *	0.00	0.00	0.00	0.00	0.00
		[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
3	Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
		[0.00]	[0.00]	[0.00]	[0.00]	[0.00]
4	Disputed Dues - Others	0.00	0.00	0.00		0.00
		[0.00]	[0.00]	[0.00]	0	[0.00]
Total		0.39	0.63	0.43	4.59	6.04
Total Previous Year		[0.42]	[0.76]	[-]	[4.59]	[5.77]

Note:

1. Figures in Brackets are in respect of Previous Year

*2 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March 2025 as per the terms of contract.

3 Following are the relevant disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act')

S.No	Description	As At	As At
		March 31, 2025 (Rs. in Lakhs)	31-Mar-24 (Rs. in Lakhs)
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year	0.63	0.76
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	-
(iii)	The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act.	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
(vi)	The amount of further interest remaining due and payable even in succeeding years	-	-

14 OTHER CURRENT FINANCIAL LIABILITIES

Borrowings:

Unsecured loans from related parties	-	48.00
Interest Accrued and due	-	4.25
	-	52.25

14.1 The company has not received any fund 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.

15 OTHER CURRENT LIABILITIES

Payable to related parties	42.88	49.27
Other Payable	5.42	5.93
Security Deposit	5.74	5.74
	54.04	60.94

KHANDELWAL EXTRACTIONS LIMITED

	Year Ended 31.03.2025 Rs. In lacs	Year Ended 31.03.2024 Rs. In lacs
16 REVENUE FROM OPERATIONS:		
(a) Rent Received	<u>72.81</u>	<u>78.40</u>
	72.81	78.40
17 OTHER INCOME:		
Interest Income	18.49	22.06
Dividend	0.03	0.02
Profit on sale of Assets	-	0.86
	<u>18.52</u>	<u>22.94</u>
18 EMPLOYEE BENEFITS EXPENSE:		
Salaries & Wages	24.44	24.53
Contribution To Provident and Other Funds	1.76	1.83
Staff Welfare Expense	0.72	0.57
	<u>26.92</u>	<u>26.93</u>
19 FINANCE COST:		
Interest on Borrowings	1.25	4.72
	<u>1.25</u>	<u>4.72</u>
20 OTHER EXPENSES:		
ADMINISTRATIVE EXPENSES		
Rates & Taxes	3.84	3.84
Repairs to Buildings	2.44	4.09
Maintenance & Cleaning	5.27	-
Rent	0.30	0.30
Miscellaneous Expenses	8.78	10.59
REMUNERATION TO AUDITORS	20.63	18.82
Audit Fees	0.30	0.30
Quarterly Review fees	0.16	0.17
	<u>0.46</u>	<u>0.47</u>
	21.09	19.29
21 TAX EXPENSE		
A. Amount recognised in Profit or Loss		
Current Tax		
Income Tax for the year	0.00	0.00
Adjustments/(credits) related to previous year-Net	0.00	0.00
Total Current Tax	<u>0.00</u>	<u>0.00</u>
Deferred Tax		
Deferred Tax for the year	9.96	13.07
Adjustments/(credits) related to previous year-Net		
Total Deferred Tax	<u>9.96</u>	<u>13.07</u>
Total Tax Expense	<u>9.96</u>	<u>13.07</u>
B. Amount recognised in other comprehensive income:		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive	0.00	0.00
Deferred Tax:		
On items that will not be reclassified to Profit or Loss:	0.00	0.00
On items that will be reclassified to Profit or Loss:	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>
Reconciliation of effective tax rate:		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit Before Tax	40.71	47.11
Applicable Tax Rate	0.25	0.25
Computed Tax Expense	10.17	11.86
Adjustment in respect of current Income Tax of Previous Year	0.00	0.00
Tax effect of:		
Exempted Income	0.00	0.00
Expenses Allowed/Disallowed under Income Tax Act (Net)	1.13	0.00
Tax Adjustment of last years	0.00	0.00
Current Tax Provisions (A)	0.00	0.00
Incremental Deferred Tax Asset / (Liability) on account of Tangible and Intangible Assets	-0.29	-0.56
Incremental Deferred Tax Asset / (Liability) on account of Unabsorbed business losses	10.25	13.63
Deferred Tax Asset / (Liability) (B)	<u>9.96</u>	<u>13.07</u>
Adjustments recognised in the current year in relation to the current tax of prior years (C)	<u>0.00</u>	<u>0.00</u>
Tax Expenses recognised in Statement of Profit and Loss (A-B)	<u>9.96</u>	<u>13.07</u>
Effective Tax Rate	<u>0.25</u>	<u>0.28</u>

KHANDELWAL EXTRACTIONS LIMITED

	2024-25 Rs. In lacs	2023-24 Rs. In lacs
22 EARNINGS PER SHARE:		
Net Profit available to equity shareholders (used as numerator for calculating Basic & Diluted EPS)	29.60	34.04
Number of equity shares (used as denominator for calculating Basic & Diluted EPS)	8.50	8.50
Basic and Diluted Earning per share of Rs. 10/-	3.48	4.00

23 Balances of other Current Assets and Trade Payables are subject to reconciliation and confirmation.

24 a) Defined Contribution Plan

Contribution to defined contribution plan recognised as expenses for the year 2023-24 are as under

	2024-25 Rs. In lacs	2023-24 Rs. In lacs
Employer's Contribution to Provident Fund	1.74	1.80

b) Defined Benefit Plan

The Employees Gratuity Fund Scheme managed by L.I.C. is Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation provided by L.I.C.

Disclosure in terms of Ind As -19 issued by the Institute Of Chartered Accountants Of India has not been given as required details have not been provided by the Life Insurance Corporation Of India

25 Related Party Disclosures:

A) Related Party disclosures as required under section 188 of Companies Act, 2013 has been made with whom transactions has been made during the year

Key Management Personnel and their relatives :

V.N. Khandelwal	Whole-time Director (Works)
Dinesh Khandelwal	Whole-time Director (Finance) & CFO
K.N. Khandelwal	Non-Executive Non-Independent Director
Sudhir Kumar Khandelwal	Relative
Anil Khandelwal	Relative

Key Management Personnel:

Satyansha Dubey- Company Secretary till 31.08.2024
Nida Khatoon - Company Secretary w.e.f 02.09.2024

Independent Directors:

Surabhi Tuli w.e.f 28.09.2024 Ashok Gupta till 28.09.2024
Gopesh Sahu w.e.f 28.09.2024 Rekha Kejriwa till 28.09.2024
Prakhar Pandey

B) The following transactions were carried with above related parties in the ordinary course of business and on terms equivalent to those that prevail in arm's length transaction.:

	2024-25 Key Management Personnel	2023-24 Key Management Personnel
Remuneration	17.64	17.30
Unsecured Loan and Deposits		
Balance at the beginning of the year	48.00	88.00
Amount paid during the year	48.00	40.00
Amount received during the year	-	-
Balance at the end of the year	-	48.00
Interest Paid	1.25	4.72
Interest payable		
Opening balance at the beginning of the year	4.25	5.13
Interest payable at the end of the year	-	4.25
Outstanding payable		
Opening balance at the beginning of the year	49.27	53.65
Add Amount credited during the year	12.48	12.48
Less Amount paid during the year	18.87	16.86
Closing balance at end of the year	42.88	49.27
Sitting fee		
Non-Executive Non-Independent Directors	0.13	0.10
Independent Directors	0.23	0.23

Note: Related Parties relationship is as identified by the Company and relied upon by the auditors.

KHANDELWAL EXTRACTIONS LIMITED

26 Financial Instruments and Related Disclosures

Capital Management:

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations majorly through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

Categories of Financial Instruments

Rs in Lacs

Particulars	Note	As at 31st March,2025		As at 31st March,2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A FINANCIAL ASSETS					
a Measured at amortised cost					
Cash and Cash Equivalents	5	17.25	17.25	207.61	207.61
Loans	6	10.00	10.00	24.00	24.00
Trade Receivables	3	0.09	0.09	-	-
Bank balances	5	196.71	196.71	-	-
Other Financial Assets	7	4.14	4.14	4.14	4.14
Sub-total		228.19	228.19	235.75	235.75
Total financial assets		228.19	228.19	235.75	235.75
B FINANCIAL LIABILITIES					
a Measured at amortised cost					
Borrowings	14	-	-	48.00	48.00
Trade Payables	13	6.04	6.04	5.77	5.77
Other Financial Liabilities		-	-	4.25	4.25
Sub-total		6.04	6.04	58.02	58.02
Total financial liabilities		6.04	6.04	58.02	58.02

27 FINANCIAL RISK MANAGEMENT OBJECTIVES:

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Liquidity Risk:

The company current assets aggregate to Rs 233.49 Lacs(P.Y. 2023-24 Rs 304.19 Lacs) including Trade receivable , cash and cash equivalent , loans and other financial assets of Rs174.30Lacs (P.Y. 2023-24 Rs 235.75 lacs) against aggregate current liability 60.08 lacs (P.Y. 2023-24 Rs 118.96 lacs) on the reporting date.

Further , while the company's total equity stands 291.74 lacs (P.Y. 262.14 lacs) it has borrowing of Rs nil (P.Y. 2023-24 Rs 48 lacs). In such circumstances liquidity risk, or the risk that the company may not be able to settle or meet its obligations as they become due does not exist.

Market Risks:

The Company is not an active investor in equity markets.

Foreign Currency Risk:

The Company has no exposure in foreign currency and therefore ,the company does not have foreign currency risk.

Credit Risk:

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

FAIR VALUE MEASUREMENT:

Fair value hierarchy:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3:

Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

KHADELWAL EXTRACTIONS LIMITED

28 a) Disclosure of Ratios:

Followings are the ratios as per the requirement of schedule III to the companies Act, 2013

Sl . No.	Ratio	As at 31-03-2025	As at 31-03-2024	Reason for change where change is more than 25%
1	Current ratio	3.89	2.56	Current ratio has improved due to repayment of borrowings.
2	Debt equity ratio	Nil	0.18	All the borrowings had repaid by Company
3	Debt Service Coverage Ratio	0.88	0.94	Decrease in Interest amount on account of repayment of borrowing.
4	Return on Equity Ratio	10.69%	13.89%	Change is less than 25%
5	Inventory Turnover Ratio	Nil	Nil	Not Applicable as there is no turnover during the year
6	Trade Receivable Turnover Ratio	Nil	Nil	Not Applicable
7	Trade Payable Turnover Ratio	Nil	Nil	Not Applicable
8	Net capital turnover ratio	Nil	Nil	Not Applicable as there is no turnover during the year
9	Net Profit Ratio	40.65	43.42	Change is less than 25%
10	Return on capital employed	13.99%	19.77%	Change is less than 25%
11	Return on investment	Not Applicable	Not Applicable	Not Applicable

KHANDELWAL EXTRACTIONS LIMITED

28 b) FORMULAE FOR COMPUTATION OF RATIOS

Formulae for computation of ratios are as follows

Sl. No.	RATIO	FORMULAE
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt Equity Ratio	$\frac{\text{Total Debt}}{\text{Total equity}}$ Total Debt= Short term borrowing+ long term borrowings Total equity = Total shareholders fund
3	Debt Service Coverage Ratio	$\frac{\text{Earning available for debt service}}{\text{Interest expenses+ Lease payment +principal repayments made during the year.}}$ Earning available for debt service = Net profit after taxes+ non cash operating expenses like depreciation and other amortisation + interest +other adjustments like loss on sale of fixed assets
4	Return on Equity Ratio	$\frac{\text{Net profit after tax - preference Dividend (if any)}}{\text{Average Shareholder equity}}$ Shareholder equity = Assets - Liabilities Average shareholder equity = (Opening + closing)/2
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods sold(cost of material consumed +purchases+ changes in inventory + manufacturing expenses) OR SALE}}{\text{Average inventory of finished goods , stock in process and stock in trade}}$
6	Trade Receivable Turnover Ratio	$\frac{\text{Net credit sale}}{\text{Average trade receivable}}$ Net credit sale = gross credit sale -sales return
7	Trade Payable Turnover Ratio	$\frac{\text{Net credit purchase}}{\text{Average trade payable}}$ Net credit purchase = Gross credit purchase- purchase return
8	Net capital turnover ratio	$\frac{\text{Net annual sale}}{\text{Working capital}}$ Working capital = Current assets- current liabilities
9	Net Profit Ratio	$\frac{\text{Profit after tax (after exceptional items)}}{\text{Value of sales and services}}$
10	Return on capital employed	$\frac{\text{Earning before tax and interest}}{\text{Capital employed}}$ Capital employed = Total assets - current liabilities
11	Return on investment	$\frac{\text{Tangible net worth +total debt + deferred tax liability}}{\text{VF-Vi}}$ VF= Final value of investment including dividend and interest Vi = Initial value of investment(Cost of investment)

29 CONTINGENT LIABILITIES:

	31.03.2025 Rs. In lacs	31.03.2024 Rs. In lacs
Claims against the Company not acknowledged as debts.	5.21	5.21
VAT Disputed Liability Assessment Year 2011-12 of which appeal is pending with Additional Commissioner Gr-2 (Appeal) Commercial Tax, Kanpur.	16.71	16.71

- 30 The company did not enter any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. There is no outstanding balances with struck off companies.
- 31 The company did not hold any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 32 The company has complied with number of layers of company.
- 33 The company has not entered into any scheme of arrangements and no scheme of arrangements has been approved by the Competent Authority in terms of section 230 to 237 of Companies Act, 2013.
- 34 The Company has not granted any loans or advances in the nature of loans to the promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013) either severally or jointly with any other person.
- 35 The Company has not been declared a wilful defaulter by any bank, financial institution or any lender.
- 36 The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.
- 37 **Crypto Currency:**
There is no trade or investment in crypto currency for virtual currency during the current year.
- 38 Figures of previous year have been regrouped and recasted to conform to the layout of the accounts for the current year.
- 39 **Approval of Financial Statements:**
The Financial Statements were approved by the Board of Directors on 29.05.2025.

As per our report of even date attached

For P. L. Tandon & Co.
Chartered Accountants
Registration No. 000186C

PRITHI PAL SINGH
(Partner)
Membership No. 072754

NIDA KHATOON
(Company Secretary)
M. No. A70498

DINESH KHANDELWAL
(Director- Finance & CFO)
DIN : 00161831

V.N. KHANDELWAL
(Whole Time Director)
DIN : 00161893

K.N. KHANDELWAL
(Chairperson)
DIN : 00037250

GOPIESH SAHU
(Independent Director)
DIN : 08048317

Place: Kanpur
Date: 29.05.2025

KHANDELWAL EXTRACTIONS LIMITED

KHANDELWAL EXTRACTIONS LIMITED

(CIN: L24241UP1981PLC005282)
 Regd. Office: 51/47 Naya Ganj, Kanpur-208001
 E-mail: kelknp@yahoo.com Website: www.khandelwalextractions.com
 Phone: 9415330630

Attendance Slip

I/We hereby record my/our presence at the 43rd Annual General Meeting of the Company to be held on **Wednesday, 24th September 2025**, at 4.00 P.M at 50 MIG Bungalow, W Block, Keshav Nagar, Kanpur 208014.

.....
 Member's Folio No./BOID

.....
 Member's/Proxy's name
 In Block Letters

.....
 Member's /Proxy's Signature

Note: Please complete the Folio No./BOID and name, sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

PROXY FORM

Name of the member(s):			
Registered address:			
E-mail ID			
Folio No./BOID :			
I/We being the member(s) holdingshares of Khandelwal Extractions Limited hereby appoint:			
1	Name.....	Address.....	
	E-mail id.....	Signature.....	Or failing him;
2	Name.....	Address.....	
	E-mail id.....	Signature.....	Or failing him;
3	Name.....	Address.....	
	E-mail id.....	Signature.....	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held at **50 MIG Bungalow, W Block, Keshav Nagar, Kanpur, 208014 on Wednesday, 24th September 2025 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as indicated below:**

Resolution No.	RESOLUTIONS	Optional (✓)	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements & Reports of the Directors and Auditors for the year ended 31 st March, 2025		
2.	Re-appointment of Mr. Dinesh Khandelwal (DIN:00161831) who retires by rotation.		
Special Business			
3.	Appointment of M/S Banthia & Co.(C.P No. 1405) as Secretarial Auditors of the Company		
4.	Re-appointment of Shri Dinesh Khandelwal (DIN:00161831) as Whole-time Director (Finance) & CFO		

Affix Revenue Stamp of Rs.1/-

Signed this.....day of September, 2025
 Signature of shareholder.....
 Signature of Proxy holder(s).....

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of Meeting.
- For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 43rd Annual General Meeting.

KHANDELWAL EXTRACTIONS LIMITED

MAP SHOWING VENUE OF ANNUAL GENERAL MEETING OF KHANDELWAL EXTRACTIONS LIMITED

VENUE : 50 MIG BUNGLOW, W BLOCK, KESHAV NAGAR, KANPUR - 208 014 (Near Aman Paradise)

