



**INDIAN EXTRACTIONS LIMITED**

**53<sup>rd</sup> ANNUAL REPORT**

**2008 - 2009**

**Contents**

<b>Notice .....</b>	<b>2</b>
<b>Director's Report .....</b>	<b>4</b>
<b>Auditor's Report .....</b>	<b>27</b>
<b>Balance Sheet .....</b>	<b>30</b>
<b>Profit &amp; Loss Account .....</b>	<b>31</b>
<b>Cash Flow Statement .....</b>	<b>32</b>
<b>Schedules .....</b>	<b>34</b>

**DIRECTORS**

SHRI SHANTILAL B. JHAVERI  
Chairman and Managing Director

SHRI PRIYAM S. JHAVERI  
Joint Managing Director

SHRI ANAND R. DALAL

SHRI ASIT D. JAVERI

SHRI AMIT B. SHAH

SHRI ANKUR M. MANECK

**AUDITORS**

M/S. DELOITTE HASKINS & SELLS  
Chartered Accountants

**BANKERS**

UNION BANK OF INDIA

STATE BANK OF INDIA

ANDHRA BANK

COMMERCIAL CO-OP. BANK LTD.

STATE BANK OF BIKANER & JAIPUR

THE LAKSHMI VILAS BANK LTD.

HDFC BANK LTD.

CORPORATION BANK

**REGISTERED OFFICE**

NANAVATI MAHALAYA,  
18, HOMI MODI STREET,  
FORT, MUMBAI 400 001.

**FACTORY**

PANDIT NEHRU MARG,  
JAMNAGAR - 361 002.

**NOTICE**

**TO THE MEMBERS**

NOTICE is hereby given that the Fifty-third Annual General Meeting of **INDIAN EXTRACTIONS LIMITED** will be held on **WEDNESDAY** the 23<sup>RD</sup> **SEPTEMBER, 2009** at 4.30 p.m. at **M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001** to transact the following business:

**GENERAL BUSINESS:**

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.
2. To appoint a Director in place of Mr. Anand R. Dalal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ankur M. Maneck, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 16<sup>th</sup> September, 2009 to Wednesday, the 23<sup>rd</sup> September, 2009 (both days inclusive).
3. Members are requested to
  - (i) immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.
  - (ii) write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. The Members are requested to dematerialise their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.



7. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of refund pertaining to share application money out of public issue remaining unpaid or unclaimed and unclaimed dividend for the financial year ended 31<sup>st</sup> March 1995, 31<sup>st</sup> March, 1996, 31<sup>st</sup> March, 1997, 31<sup>st</sup> March, 1998 and 31<sup>st</sup> March, 1999 for a period of seven years from the date of transfer to separate Account of the Company has been transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2003 are requested to make their claims to the Company accordingly, without any delay.

8. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/Share Transfer Agents alongwith the relevant Share Certificates for consolidation of such Folios in one Folio.
9. As per requirement of Clause 49 VI(A) of the Listing Agreement with Stock Exchange, the particulars of Directors retiring by rotation and eligible for re-appointment are given in the Corporate Governance Section to this Annual Report.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By Order of the Board  
**For INDIAN EXTRACTIONS LIMITED**

**S. B. JHAVERI**  
**CHAIRMAN & MANAGING DIRECTOR**

Registered Office:  
"Nanavati Mahalaya"  
18, Homi Modi Street,  
Fort, Mumbai - 400 001.

Dated: 29<sup>th</sup> June, 2009

# INDIAN EXTRACTIONS LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
**INDIAN EXTRACTIONS LIMITED**

Your Directors have pleasure in presenting 53<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS :

	Current Year Rs.	Previous Year Rs.
(Loss) for the year before providing for Depreciation	<u>(1,09,52,624)</u>	14,61,061
Less: Depreciation	<u>47,81,660</u>	38,74,169
(Loss) after Depreciation	<u>(1,57,34,284)</u>	(24,13,108)
Provision for Taxation - Wealth	29,903	(16,190)
Deferred	(24,35,077)	57,902
Fringe Benefit Tax	3,60,000	(3,10,000)
	<u>(20,45,174)</u>	(2,68,288)
(Loss) after Tax	<u>(1,36,89,110)</u>	(26,81,396)
(Short) Provision for taxes in respect of earlier years	--	(51,929)
	<u>(1,36,89,110)</u>	(27,33,325)
Less/Add: (Loss)/ Profit brought forward from previous year	<u>(46,99,286)</u>	(32,87,721)
Amount available for appropriation	<u><u>(1,83,88,396)</u></u>	<u><u>(60,21,046)</u></u>

### APPROPRIATION:

General Reserve deducted per contra	--	--
Adjustment for provision of gratuity net of deferred taxes	--	(13,21,760)
Balance carried to Balance Sheet	<u>(1,83,88,396)</u>	(46,99,286)
	<u><u>(1,83,88,396)</u></u>	<u><u>(60,21,046)</u></u>

### DIVIDEND :

Your Directors do not recommend declaration of any dividend for the year ended 31<sup>st</sup> March, 2009 in view of the loss borne by your Company.

## **OPERATIONS :**

Your Company continues to concentrate on processing of Rapeseed cakes besides Groundnut cakes, the core product.

Your Company is also processing groundnut oil cakes for exports which is the core competence of your company. Your Company has achieved a lower turnover in quantitative terms during the year on account of the modernization programme conducted for solvent extraction plant.

The liberal policy of import of edible oils continues to be followed by the Government. Hence the price of edible oils have slumped resulting in decreased realization on sale of solvent extracted edible oils in the domestic market.

During the year your Company has successfully commissioned the modernized solvent extraction plant. In May 2009, your Company has also successfully commissioned the refinery with enhanced capacity for refining of edible oils.

The cost of utilities continues to increase. The cost of credit also continues to increase.

The Company at present commands respect in the market in wholesale trade for marketing edible oil under the premium established brand name "Diamond" and "Star". Your Company is now leveraging these brands for sale in retail segment.

All these factors will result in increase of turnover, economies of scale which will in turn lead your Company earning good profits in the current year.

## **DIRECTORATE :**

Shri Anand R. Dalal and Shri Ankur M. Maneck retire at the ensuing Annual General Meeting. Being eligible, offer themselves, for reappointment as Directors. Your Directors recommend their reappointment.

## **CORPORATE GOVERNANCE :**

The information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is given in Annexure-I forming part of this report.

## **PARTICULARS OF THE EMPLOYEES :**

There are no employees to whom the disclosure requirements u/s.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended apply.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 is given in Annexure-II forming part of this report.

## **POLLUTION CONTROL :**

The Company has taken steps to control pollution of effluents, dust and emission from chimneys etc. Samples are periodically drawn and reports are submitted to Pollution Control Board to ensure compliance with the standard.

## **INDIAN EXTRACTIONS LIMITED**

### **DEPOSITS :**

There were no overdue Fixed Deposits out of the outstanding amount of Rs.1,62,45,000/- at the end of the year.

### **INSURANCE :**

All the properties and insurable interest of the Company including Buildings, Plant and Machinery are adequately insured.

### **DIRECTORS' RESPONSIBILITY STATEMENT :**

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- iv) the Directors have prepared the Annual Accounts on a "Going Concern" basis.

### **AUDITORS' REPORT :**

There are no qualifications by the Auditors' in their Report and hence no comments are offered.

### **AUDITORS :**

You are requested to appoint Auditors and fix their remuneration.

### **ACKNOWLEDGEMENT :**

Your Directors wish to place on record their appreciation for the continued support received from shareholders, depositors and bankers of the Company. The Directors also wish to record their appreciation of the employees' at all levels for their unstinted efforts and contribution to the growth of the Company.

**For and on behalf of the Board**

**S. B. JHAVERI**  
**CHAIRMAN & MANAGING DIRECTOR**

Place: MUMBAI  
Dated: 29<sup>th</sup> June, 2009



## ANNEXURE - I TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Indian Extractions Limited believes that Corporate Governance is not an end in itself but is a catalyst in the process towards maximisation of shareholder value. Therefore, shareholder value as an objective is woven into all aspects of Corporate Governance the underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices.

Corporate Governance deals with conducting affairs of a Company to maximise shareholders value, such that

- a) Trust is built around that enterprise is managed adequately and efficiently in its chosen business;
- b) There is openness, integrity and accountability in the dealings of the Company to the extent, possible;
- c) There is fairness to its shareholders;
- d) There is adequate supervision of its business activities.

#### BOARD OF DIRECTORS:

Composition of the Board and Directorship held in other Companies as on 31<sup>st</sup> March, 2009

Sr. No.	Name of the Director(s)	Executive/Non-Executive/Independent	No. of outside Directorship in other Limited Companies (including Private Limited Companies)	No. of other outside Committees positions held	
				Chairman	Member
1	Mr. Shantilal B. Jhaveri	Promoter, Executive-Chairman & Managing Director	7	-	1
2	Mr. Priyam S. Jhaveri	Promoter, Executive-Joint Managing Director	13	1	2
3	Mr. Asit D. Javeri	Non-Executive, Independent	9*	-	5
4	Mr. Anand R. Dalal	Non-Executive, Independent	3	-	-
5	Mr. Amit B. Shah	Non-Executive, Independent	4	-	-
6	Mr. Ankur M. Maneck	Non-Executive, Independent	2	-	-

\* including Foreign Company

#### Attendance record of the Directors:

During the Financial year 2008-2009, Meetings of Board of Directors were held on the following days:-  
9<sup>th</sup> April, 2008, 18<sup>th</sup> June, 2008, 29<sup>th</sup> July, 2008, 23<sup>rd</sup> September, 2008, 23<sup>rd</sup> October, 2008 and 30<sup>th</sup> January, 2009.

Annual General Meeting was held on 23<sup>rd</sup> September, 2008.

The Attendance of Directors at the Board Meetings and Annual General Meeting were as under:

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attended	
Mr. Shantilal B. Jhaveri	6	6	Yes
Mr. Priyam S. Jhaveri	6	5	Yes
Mr. Asit D. Javeri	6	4	Yes
Mr. Anand R. Dalal	6	5	Yes
Mr. Amit B. Shah	6	6	Yes
Mr. Ankur M. Maneck	6	6	Yes

# INDIAN EXTRACTIONS LIMITED

Agenda for each Board Meeting were sent along with notes on agenda items about a week in advance to the Board Members. Matters discussed at these Board Meetings related to among others, review of annual plan, quarterly results of the Company, minutes of meetings of audit committee, observations of the Audit Committee, Statutory compliances by the Company, sale and purchase of investments etc.

## Code of Conduct for Board Members and Senior Management :

A declaration regarding compliance by the Board, of Code of Conduct is separately annexed to this Report.

As there is no website of the Company at present, the said Code of Conduct is not displayed on the Web.

## AUDIT COMMITTEE :

As required u/s.292A of the Companies Act, 1956 read with provision of Clause 49 of the Listing Agreement with the Stock Exchange, the Board has constituted Audit Committee which consists of the following Directors:

Mr. Asit D. Javeri	Chairman	Non-Executive, Independent
Mr. Anand R. Dalal	Member	Non-Executive, Independent
Mr. Amit B. Shah	Member	Non-Executive, Independent
Mr. Ankur M. Maneck	Member	Non-Executive, Independent

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the **terms of reference** as specified herein as under:

The Role of the Audit Committee shall be as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on exercise of judgement by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with Listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussions with internal auditors any significant findings and follow up thereon.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses ; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Mr. A. L. Sehgal, the President and representatives of the firms of Statutory Auditor and Internal Auditor, have been permanent invitees to the Audit Committee Meetings. Mr. Mihir Shah and Mr. P. M. Purohit, Internal Auditors, attended most of the meetings of the Audit Committee.

During the year, the Audit Committee, in its meetings, discussed among other things, the following:

- Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.
- Discussed with the management and the internal and statutory auditors findings in the internal audit reports.
- Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee, has briefed the Board of Directors, about the Audit Committees observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

All the suggestions / recommendations of the Audit Committee during the financial year 2008-09, have been accepted by the Board of Directors.

The Financial decisions of the Company is taken by the Chairman and Managing Director, Mr. Shantilal B. Jhaveri at the Board of Directors Meeting.

The attendance record of each member of the Audit Committee at the Meetings held on 9/4/2008, 18/6/2008, 29/7/2008, 23/10/2008, 25/11/2008 and 30/1/2009 are as follows:

Name	Date of Appointment	Non-Executive/Independent	Numbers of Meetings	
			Held	Attended
Mr. Asit D. Javeri	19-09-2002	Non-Executive, Independent	6	4
Mr. Anand R. Dalal	19-09-2002	Non-Executive, Independent	6	5
Mr. Amit B. Shah	27-01-2003	Non-Executive, Independent	6	6
Mr. Ankur M. Maneck	27-01-2003	Non-Executive, Independent	6	5

No sitting fees have been paid to the Members of the Audit Committee.

## INDIAN EXTRACTIONS LIMITED

The previous Annual General Meeting was held on 23<sup>rd</sup> September, 2008 and it was attended by Mr. Asit D. Javeri, Chairman of the Audit Committee.

The Company has advertised in the Newspapers for recruitment of qualified Company Secretary. However, the Company has not been able to find a suitable candidate for the same. In view of this there is no Company Secretary throughout the year and as such there is no secretary to the Audit Committee Meeting.

### RISK MANAGEMENT :

The Board takes responsibility for the total process of risk management in the organization. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

### SHAREHOLDERS/INVESTORS GRIEVANCES :

The Shareholders/Investors Grievance Committee consists the following Directors:

Mr. Asit D. Javeri	-	Chairman
Mr. Anand R. Dalal	-	Member
Mr. Amit B. Shah	-	Member
Mr. Ankur M. Maneck	-	Member

### Terms of Reference

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from practising Company Secretary under Clause 47 of the Listing Agreement.
- Consider appointment/reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration, service charges, fees etc.
- Consider and take on record the Secretarial Audit certificate issued by practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

The meetings of Investors Grievance Committee were held on 9<sup>th</sup> April, 2008, 29<sup>th</sup> July, 2008, 23<sup>rd</sup> October, 2008 and 30<sup>th</sup> January, 2009.



The details of Complaints received and redressed during the financial year 2008–2009 are as under :

Sr. No.	Particulars	Correspondences	
		Received	Redressed / attended
	<b>Complaints</b>		
1	Non-Receipt of Share Certificates	01	01
2	Non-Receipt of Dividend Warrants	NIL	NIL
3	Non-Receipt of Annual Report	NIL	NIL
4	Non-Receipt of Demat Credit/Remat Certificate	04	04
5	Non-Receipt of Rejected Demat Request Form	01	01
6	SEBI/Stock Exchanges/Forums/Legal/NSDL/Bank	NIL	NIL
7	Misce. Complaints	NIL	NIL
	<b>Requests from Shareholders</b>		
8	Change of Address	03	03
9	POA/Mandate/Bank Details	NIL	NIL
10	Exchange/Redemption	NIL	NIL
11	Deletion/Transmission	01	01
12	Ind Bond/Affi. for Duplicates (Stop Transfer)	NIL	NIL
13	Div/RO for revalidation	NIL	NIL
14	Filing/Acknowledgement/Misce.	NIL	NIL
	<b>Total</b>	<b>10</b>	<b>10</b>

There are no pending complaints/transfers, as also that there are no complaints not resolved to the satisfaction of Shareholders.

All Share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

Secretarial Officer, Mr. Sebastian B. Colaco, has been appointed as the Compliance Officer, as required by the Listing Agreement entered into by the Company with Bombay Stock Exchange. He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints/grievances intimated during the year, have been resolved.

There are no pending legal matters, in which the Company has been made a party, before any other Court(s)/ Consumer Forum(s) etc., on Investors grievances.

#### REMUNERATION COMMITTEE:

The Remuneration Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the **terms of reference** as specified herein as under:

1. The Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee whenever required by it.

## INDIAN EXTRACTIONS LIMITED

3. The Remuneration Committee shall have the following powers and functions :
- To recommend to the Board, the terms and conditions of appointment of key Management personnel.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.

### Remuneration Policy :

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is in consonance with the existing industry practice.

The Remuneration Committee consists of the following Directors:

Mr. Asit D. Javeri	Chairman	Non-Executive, Independent
Mr. Anand R. Dalal	Member	Non-Executive, Independent
Mr. Amit B. Shah	Member	Non-Executive, Independent
Mr. Ankur M. Maneck	Member	Non-Executive, Independent

### Attendance record of the Members :

The meeting of Remuneration Committee was held on 18<sup>th</sup> June, 2008 and the same was attended by all the Members except Mr. Asit D. Javeri, Chairman of the Committee.

Non-Executive Directors were paid Sitting Fees of Rs.500/- (Rupees Five Hundred only) and the same has been increased to Rs.1,500/- (Rupees One Thousand Five Hundred only) for every meeting of the Board of Directors attended by them as per the resolution passed in the Board Meeting held on 23<sup>rd</sup> September, 2008.

The Company has not advanced any loans to any of the Directors.

The Remuneration paid to the Directors of the Company during the financial year 2008-2009 is as under:

Directors	Remuneration paid/payable during 2008-2009 (Rs.)				Shares held by Non-Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	
Shri Shantilal B. Jhaveri*	NIL	867315	NIL	867315	N.A.
Shri Priyam S. Jhaveri*	NIL	569810	NIL	569810	N.A.
Shri Asit D. Javeri	3000	NIL	NIL	3000	4700
Shri Anand R. Dalal	3500	NIL	NIL	3500	30000
Shri Amit B. Shah	5000	NIL	NIL	5000	NIL
Shri Ankur M. Maneck	5000	NIL	NIL	5000	2000
<b>Total</b>	<b>16500</b>	<b># 1437125</b>	<b>NIL</b>	<b>1453625</b>	

\* Not eligible for sitting fees, remuneration paid as per provisions of Section 217(2A) of the Companies Act, 1956.

# Refer Note B-5 of Schedule 18 "Notes on Accounts" annexed to the Financial Statements of the year.

**A. Shri Shantilal B. Jhaveri (Chairman & Managing Director)**

- 1) Besides commission of 2% of net profit payable to Shri Shantilal B. Jhaveri, Chairman & Managing Director there is no fixed component and performance linked incentives, alongwith the performance criteria.

**Remuneration** The Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs.1,25,000/- per month and applicable perquisites and commission of 2% on the net profit.

**Sitting Fees** The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Managing Director.

**Overall limit** The remuneration referred above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors of the Company.

In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.

**Rateable Proportion** If the Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to rateable proportion of what he would have received if he had lived and been employed for the whole of that year.

**Reimbursement** The Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

Shri S. B. Jhaveri is reappointed by the Shareholders in the General Meeting held on 26/9/2007 as the Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2007 not liable to retire by rotation so long as he holds office as Managing Director.

**Terms of Office** The Managing Director shall hold and the said office subject to as hereinafter provided for the term of five years from the 1<sup>st</sup> day of April, 2007.

**Resignation** The Managing Director shall be free to resign his office by giving three calendar months notice in writing to the Company.

**B. Shri Priyam S. Jhaveri (Joint Managing Director)**

- 1) Besides commission of 2% of net profit payable to Shri Priyam S. Jhaveri, Joint Managing Director there is no fixed component and performance linked incentives, alongwith the performance criteria.

**Remuneration** The Joint Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs.1,25,000/- per month and applicable perquisites and commission of 2% on the net profit.

## INDIAN EXTRACTIONS LIMITED

- Sitting Fees** The Joint Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Joint Managing Director.
- Overall limit** The remuneration referred above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors of the Company.
- In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Joint Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.
- Rateable Proportion** If the Joint Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to rateable proportion of what he would have received if he had lived and been employed for the whole of that year.
- Reimbursement** The Joint Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.
- Shri P. S. Jhaveri is reappointed by the Shareholders in the 52<sup>nd</sup> Annual General Meeting held on 23/9/2008 as the Joint Managing Director of the Company for a period of 5 years with effect from 4<sup>th</sup> September, 2008 not liable to retire by rotation so long as he holds office as Joint Managing Director.
- Terms of Office** The Joint Managing Director shall hold and the said office subject to as hereinafter provided for the term of five years from the 4<sup>th</sup> day of September, 2008.
- Resignation** The Joint Managing Director shall be free to resign his office by giving three calendar months notice in writing to the Company.

### DISCLOSURES :

#### Related Party Transactions :

There has not been any materially significant related party transaction between the Company and its Directors, Promoters Management etc., that may have potential conflict with the interest of the Company at large.

Transactions with related parties are disclosed in Note No.B-11 in Schedule 18 "Notes on Accounts" annexed to Financial Statements of the year.

#### Miscellaneous :

The Company has complied with all regulations of Stock Exchanges, Securities and Exchange Board of India (SEBI) or other statutory authority/ties on any matters related to capital markets. No penalties have been imposed or strictures passed during the last three years against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.





The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.

#### **Means of Communication :**

Half yearly/Quarterly Results are not been sent to shareholders; instead shareholders are intimated these through press.

The quarterly, half-yearly and Annual Results of the Company's financial performance are published in the newspapers viz. *Financial Express* and *Daily Sagar*. These, before release to the press are informed to the Mumbai Stock Exchange.

SEBI EDIFAR:- Quarterly results and Shareholding pattern of the Company are also posted on the SEBI Edifar Website – [www.sebidifar.nic.in](http://www.sebidifar.nic.in)

*Management discussion and analysis forms part of the Annual Report and appears as Annexure to the Directors' Report.*

#### **Secretarial Audit :**

A qualified practising Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audits confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **Compliance :**

Auditors' Certificate on Corporate Governance, as required by Clause 49 of the Listing Agreement is incorporated in this Annual Report.

## **SHAREHOLDERS INFORMATION**

### **Annual General Meeting:**

**Date and Time :** 23<sup>rd</sup> September, 2009 at 4.30 p.m.

**Venue :** M. C. Ghia Hall, Bhogilal Hargovindas Building,  
18/20, Kaikhushru Dubash Marg, Fort,  
(Behind Prince of Wales Museum),  
Mumbai - 400 001.

# INDIAN EXTRACTIONS LIMITED

Last 3 Annual General Meeting:

Date and Time	23 <sup>rd</sup> September, 2008 at 4.30 p.m	26 <sup>th</sup> September, 2007 at 4.30 p.m.	28 <sup>th</sup> September, 2006 at 4.30 p.m.
Venue	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.	M. C. Ghia Hall, Bhogilal, Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.

No special resolutions were passed through postal ballot in any of the aforesaid Annual General Meetings.

**Date of Book Closure : Wednesday the 16<sup>th</sup> day of September, 2009 to Wednesday the 23<sup>rd</sup> day of September, 2009** (inclusive of both days).

### Financial Calendar:

Unaudited Results for the Quarter	Due Date	Limited Review for the Quarter	Due Date	Annual Audited Accounts	Due Date
30 <sup>th</sup> June 2009	31 <sup>st</sup> July 2009	30 <sup>th</sup> June 2009	31 <sup>st</sup> Aug. 2009	31 <sup>st</sup> March 2010	30 <sup>th</sup> June 2010
30 <sup>th</sup> Sept. 2009	31 <sup>st</sup> Oct. 2009	30 <sup>th</sup> Sept. 2009	30 <sup>th</sup> Nov. 2009		
31 <sup>st</sup> Dec. 2009	31 <sup>st</sup> Jan. 2010	31 <sup>st</sup> Dec. 2009	28 <sup>th</sup> Feb. 2010		

### Dividend Payment :

Dividend Declared : NIL

### Listing on Stock Exchange(s) :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited.

**Stock Codes :**

Security Code No.524614 – Bombay Stock Exchange Limited.

The Company has paid upto date listing fees to Bombay Stock Exchange Limited.

**Stock Market Data :**

Month/Year	Volume	Mumbai Stock Exchange	
	Ncs.	High (Rs.)	Low (Rs.)
April 2008	1560	7.31	5.75
May 2008	839	9.97	7.67
June 2008	10006	11.01	9.46
July 2008	2110	9.50	7.10
August 2008	8450	9.02	6.80
September 2008	2158	10.04	8.50
October 2008	9	10.00	9.41
November 2008	10396	10.00	8.13
December 2008	700	9.39	8.53
January 2009	0	0	0
February 2009	2601	9.45	8.57
March 2009	7065	9.39	8.49

**Registrars and Share Transfer Agents:**

Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited)  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West),  
 Mumbai – 400 078.

**Share Transfer System :**

Company's shares are compulsorily traded in the demat segment on the Stock Exchange, and most of the transfer of shares take place in the electronic form.

For expediting the physical transfer of shares, the Board has delegated the Share Transfer formalities to the Share Transfer Committee, to approve the transfer of shares. Physical transfers are effected well within the stipulated period of 30 days.

# INDIAN EXTRACTIONS LIMITED

**Shareholding Pattern:** Shareholding Pattern as on 31<sup>st</sup> March 2009.

Category	No. of Shares Held	% of Shareholding
<b>A Promoter's Holding</b>		
1 Promoters	2188333	65.57
- Indian Promoters	NIL	NIL
- Foreign Promoters	NIL	NIL
2 Persons acting in concert	NIL	NIL
<b>B Non-Promoters Holding</b>		
3 Institutional Investors		
a Mutual Funds and UTI	NIL	NIL
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	16400	0.49
c FIs	NIL	NIL
4 Others		
a Private Corporate Bodies	111228	3.33
b Indian Public	897300	26.88
c NRI's/OCB's	71819	2.15
d Independent Directors & Relatives	36700	1.10
e Present Employees	14300	0.43
f Any other (Clearing Member)	1553	0.05
<b>Grand Total</b>	<b>3337633</b>	<b>100.00</b>

**Distribution of Share:** Distribution of shareholding as on 31<sup>st</sup> March, 2009.

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	2221	88.8756	315301	9.4468
501-1000	126	5.0420	112131	3.3596
1001-2000	69	2.7611	103394	3.0978
2001-3000	15	0.6002	39993	1.1982
3001-4000	9	0.3601	32396	0.9706
4001-5000	12	0.4802	57900	1.7348
5001-10000	16	0.6403	113636	3.4047
above 10001	31	1.2405	2562882	76.7874
<b>Total</b>	<b>2499</b>	<b>100.0000</b>	<b>3337633</b>	<b>100.0000</b>

## Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31<sup>st</sup> March, 2009, 7,69,950 Equity Shares comprising of 23.07% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

There are no outstanding GDR's/ADR's/Warrants or any convertible instruments.



**Plant Location:**  
 Pandit Nehru Marg,  
 Jamnagar – 361002.  
 Telephone: 2757400/11/22

**Investors Correspondence:**

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
The Compliance Officer Indian Extractions Limited Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai – 400 001.	Indian Extractions Limited Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai – 400 001.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

**Electronic Clearing Services (ECS) for payment of Dividend:**

ECS facility is presently available in few metro cities. To avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of ECS facility – where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. The ECS application form can be obtained either from Registered Office or from the Secretarial Department of the Company.

Shareholders located in places where ECS facility is not available, may submit their bank details of account i.e. name of bank, branch, its address, A/C. No. and nine digit MICR Code of bank/branch. Thus, this will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

**Unclaimed Dividend:**

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years automatically get transferred to the Investors Education and Protection Fund administered by the Central Government. The table given below gives the date of dividend declaration or payment since 2002 and the corresponding date when unclaimed dividends are due to be transferred to the Central Government.

Year	Dividend Account No.	Bank Name	Date of Declaration	Date due for Transfer to Central Government
2002-03	0602230004333	HDFC Bank	29-09-2003	28-09-2010

Shareholders, whose dividend for the financial year 2002-03 is unclaimed, are requested to claim it immediately, since the balance in the dividend account of that year, will be transferred to Investors Education and Protection Fund administered by the Central Government during the month of August/September 2010, from which Fund, the same cannot be claimed, thereafter, by the concerned shareholders.

**Annexure to Corporate Governance Report**

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2009.

Mumbai, dated, 29<sup>th</sup> June, 2009

S. B. Jhaveri  
 (Chairman)

# INDIAN EXTRACTIONS LIMITED

Profile of Directors being appointed at the ensuing Annual General Meeting.

Name	Age	Educational Qualification	Experience	
Mr. Anand R. Dalal	53 yrs	B. A. (Economics) University of Bombay  M.M.S. (Management Science) University of California & Los Angeles	Mr. Anand R. Dalal has over <b>24 years</b> of varied experience in the <b>Engineering Consulting and Construction</b> business. He is presently the <b>Managing Director</b> of R. L. Dalal and Company.  He has been responsible for the successful completion of a number of multi-disciplinary management and engineering projects spread across various industrial and commercial sectors, on the domestic as well as the international fields. He has also been actively involved in construction projects from concept to commissioning.  Widely travelled in India and across the globe ensures that his clients greatly benefit from his wide range of skills and services that are backed by his drive and innovative abilities.	The Board of Directors had first appointed Mr. Anand R. Dalal as an <b>Additional Director</b> of the Company when the Company was a Private Limited Company with effect from 9/6/1988. Mr. Anand R. Dalal is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.
Mr. Ankur M. Maneck	52 yrs	B. Com. LLB(G) ACA	Working with Nanavati Group since 1980.	The Board of Directors had first appointed Mr. Ankur M. Maneck as an <b>Additional Director</b> of the Company with effect from 27/01/2003. Mr. Ankur M. Maneck is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Name of the Companies in which Directors re-appointed by Shareholders holds directorship and the membership of Committees of the board:

Name of the Director	Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
Mr. Anand R. Dalal	1. R. L. Dalal & Company Private Limited 2. Coen Bharat Limited 3. Euro Asia Project Service Private Limited	1. Indian Extractions Limited a. Audit Committee b. Shareholders'/ Investors' Grievance Committee c. Remuneration Committee
Mr. Ankur M. Maneck	1. Nanavati Speciality Chemicals Private Limited 2. Nanavati Chemex Private Limited	1. Indian Extractions Limited a. Audit Committee b. Shareholders'/ Investors' Grievance Committee c. Remuneration Committee d. Share Transfer Committee

For and on Behalf of the Board

**S. B. JHAVERI**  
(Chairman & Managing Director)

Place: MUMBAI  
Dated: 29<sup>th</sup> June, 2009



**Auditors' Certificate on compliance of conditions of Corporate Governance**

**To the members of Indian Extractions Limited**

We have examined the compliance of conditions of Corporate Governance by **Indian Extractions Limited**, for the year ended on 31<sup>st</sup> March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except that

- i) the post of Company Secretary is vacant throughout the year, due to which there was no such secretary present in the Audit Committee meetings held during the year.
- ii) the Code of Conduct of the Company is not displayed on the web in absence of website of the company.

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Investor Services Department and as certified by the Compliance Officer of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Deloitte Haskins and Sells  
Chartered Accountants**

**A. B. Jani**  
**Partner**  
Membership No. 46488

Mumbai,  
Dated : 29<sup>th</sup> June 2009

# INDIAN EXTRACTIONS LIMITED

## ANNEXURE - II TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

### 1. CONSERVATION OF ENERGY:

The company mainly uses non-conventional fuel i.e. Groundnut Husk, an agro waste subject to availability and uses lignite as an alternate fuel. The details of power and fuel consumption are given hereunder :

#### A. POWER & FUEL CONSUMPTION:

			<u>Current Year</u>	<u>Previous Year</u>
1. Electricity:				
a. Purchased & Consumed	- Unit		<b>1362612</b>	1473792
	- Total Amount	Rs.	<b>7690816</b>	7082307
	- Rate/Unit	Rs.	<b>5.64</b>	4.80
b. Own Generation	- Unit		<b>10992</b>	12880
Through Diesel Generator	- Total Amount	Rs.	<b>137679</b>	157351
	- Rate/Unit	Rs.	<b>12.53</b>	12.22
2. Coal (Lignite):	- Tonnes		<b>1483</b>	1946
	- Total Amount	Rs.	<b>3149203</b>	3430800
	- Average Rate	Rs.	<b>2123.54</b>	1763.00
3. Others:				
1. Oilseed Husk	- Tonnes		<b>2652</b>	2691
	- Total Amount	Rs.	<b>7418604</b>	5484680
	- Average Rate	Rs.	<b>2797.36</b>	2038.15

#### B. CONSUMPTION RATE PER UNIT OF PRODUCTION:

##### Per tonne of oilcakes / seeds Processed:

Electricity	- Unit	<b>37.59</b>	32.48
Fuel: Coal - Lignite	- Kgs	<b>40.91</b>	42.52
Oilseed Husk	- Kgs	<b>73.15</b>	58.80



## 2. a. RESEARCH AND DEVELOPMENT :

The Company does not have separate Research and Development Department. However, it has laboratory where the quality of Raw Materials and Finished Products is tested to ensure the quality and yield of the product. There is no expenditure on R & D during the year under review.

## b. TECHNOLOGY ABSORPTION:

The Company completed modernisation-cum-expansion of its Solvent Extraction Plant in 2009. It also successfully commissioned the refinery for refining of edible oil in May 2009.

As a result of these changes the Company was able to reduce cost of production and improve the quality of finished products.

The Company has not imported any technology.

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a. The Company is a recognised Export House and one of the leading exporters of De-oiled Cakes. Efforts are continuously made to sustain the present market and develop new export market by undertaking export promotional tours to survey the export markets.
- b. Total Foreign Exchange Earned and Used:

		<u>Current Year</u>	<u>Previous Year</u>
Foreign Exchange Earned	Rs.	9,09,04,992	18,35,02,053
Foreign Exchange Used	Rs.	8,72,200	8,41,503

**For and on Behalf of the Board**

**S. B. JHAVERI**  
(Chairman & Managing Director)

Place : MUMBAI

Dated : 29<sup>th</sup> June, 2009

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Indian Extractions Limited is in the business of solvent extraction since past five decades.

The following Directors are part of Management Team :

- i. Shri Shantilal B. Jhaveri – Chairman & Managing Director
- ii. Shri Priyam S. Jhaveri – Joint Managing Director

Some statements in this Discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries with which your Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

In accordance with the business direction your Company is committed to improving the quality of people's lives through branded solvent extracted refined groundnut oils. Your Company processes groundnut/rapeseed oil cakes and derives de-oiled cakes and refined edible oils. Your Company caters to mainly local and international market for supply of de-oiled cakes and the refined oil is sold locally. The solvent extraction industry is concerned with processing groundnut/rape expeller oil cakes for producing solvent extracted groundnut/rape oil. Hence solvent extracted groundnut / rape oil has to be compulsorily refined before it can be permitted for edible use. Your Company has successfully mastered this process resulting in a regular demand from local consumers for its refined solvent extracted groundnut oil brand "Diamond". Your Company is in the industry, which is characterized by a large unorganized sector comprising local and regional players, which is yet to be tapped by nationally available branded product. Another characteristic has been the scope offered by the vast rural population in India, where branded products are yet to make the same headway as they have made in urban areas.

During the year the Company continues to concentrate on processing of Rapeseed cakes besides Groundnut cakes, the core product. The liberal tariff policy of import of edible oils continues to be followed by the Government but the consumption of edible oil has increased. This could increase the prices of edible oils and the rupee has also become weak which are all favourable factors for your Company.

### **OPPORTUNITIES AND THREATS**

Your Company continuously seeks new opportunities in trying to tap new areas. Since a major portion of your Company's products is still dominated by the unorganized sector, there are opportunities in converting the consumers of non-branded goods (e.g. loose refined groundnut oil) into consumers of branded goods (e.g. Diamond Refined Groundnut Oil). At the same time, changes in consumer habits have to be closely and continuously monitored.

Moving consumers from low-end commodity based products to high-end value added branded products is in general an opportunity area.

The external economic factors have now turned and are favourable for your Company which will enable your Company to continue to maintain its market leadership. However, competition remains a continuously ambient threat in any industry, especially in the solvent extracted refined groundnut oil sector and has to be tackled on an ongoing basis.

## OUTLOOK

Your Company has already completed the modernization of solvent extraction plant and expansion of refining capacity. Your Company shortly will begin diversification into retail trade.

Your Company continues to :

- a) Focus on product innovation in order to provide the best possible value proposition to its customers.
- b) Develop a good roster of national customers.

The Company would consolidate further on feeding the national market.

The Company has only one reportable business segment i.e. processing expeller oilcakes for producing solvent extracted refined oil.

## RISKS AND CONCERNS

Macro-economic factors like the slow down, poor monsoon, sluggish demand conditions, import policy of edible oils, unforeseen political and social upheavals, natural calamities may affect the business of your Company as also the industry at large.

With competition intensifying in all segments of the industry, increasing the market shares and the consumer base is a continuing challenge.

Penetration in the rural market is crucial for increasing the base of the users of branded products, rural demand conditions therefore affect the overall business.

Since raw materials form an important component of your Company's value chain, cost and availability of some of the key raw materials like Groundnut are an area of concern.

Besides these, changes in legislation, especially fiscal and food related also have a bearing on the business performance, especially new opportunities.

Your Company has however not been significantly impacted by these risk/concern factors due to the equity commanded by its brands, product differentiation, pro-active action towards anticipated hindrances, technological superiority and strong distribution network.

Substitution of other imported edible oils in lieu of refined groundnut oil is also an area of concern.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a well-established and comprehensive system of internal controls across the value chain to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorised, recorded and reported correctly. The key constituents of the internal control system are:

- Clear and well defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthened controls
- Compliance monitoring and review system
- Review of business plan, identify key risks and opportunities
- A robust management information system
- Well-defined principles and procedures for evaluation of new proposals
- A robust internal audit and review system

## **INDIAN EXTRACTIONS LIMITED**

Your Company has set up a system of internal audit conducted through Firm of Chartered Accountants, Mihir Shah & Associates for Head Office at Mumbai and Mr. P. M. Purohit, Chartered Accountant for the Jamnagar factory. Internal Audits are undertaken on a continuous basis covering various areas across the value chain like manufacturing, operations, sales and distribution, marketing, finance etc. Reports of the internal auditors are regularly reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports are presented to the Audit Committee of the Board.

### **HUMAN RESOURCE/INDUSTRIAL RELATIONS**

Human Resource programmes and initiatives in Indian Extractions Ltd., are aligned to meet the business needs. Your Company believes in investing in people to develop and expand their capability. The Company has been able to create a favourable work environment that motivates performance, customer focus and innovation. Indian Extraction's strategies are based, inter alia, on processes of continuous learning and improvement.

As on March 31, 2009, the employee strength of our Company was 127.

### **FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE**

Your Company continues to concentrate on processing of Rapeseed cakes besides Groundnut cakes, the core product.

Your Company is also processing groundnut oil cakes for exports which is the core competence of your company. Your Company has achieved a lower turnover in quantitative terms during the year on account of the modernization programme conducted for solvent extraction plant.

The liberal policy of import of edible oils continues to be followed by the Government. Hence the price of edible oils have slumped resulting in decreased realization on sale of solvent extracted edible oils in the domestic market.

During the year your Company has successfully commissioned the modernized solvent extraction plant. In May 2009, your Company has also successfully commissioned the refinery with enhanced capacity for refining of edible oils.

The cost of utilities continues to increase. The cost of credit also continues to increase.

The Company at present commands respect in the market in wholesale trade for marketing edible oil under the premium established brand name "Diamond" and "Star". Your Company is now leveraging these brands for sale in retail segment.

All these factors will result in increase of turnover, economies of scale which will in turn lead your Company earning good profits in the current year.

**For and on Behalf of the Board**

**S. B. JHAVERI**  
**(Chairman & Managing Director)**

Place: MUMBAI  
Dated: 29<sup>th</sup> June, 2009



## **AUDITORS' REPORT**

### **To the shareholders of Indian Extractions Limited**

1. We have audited the attached Balance Sheet of Indian Extractions Limited, as at 31<sup>st</sup> March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accountings standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read along with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - ii) in the case of the profit and loss account, of the loss for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Deloitte Haskins and Sells**  
**Chartered Accountants**

**A B Jani**  
**Partner**  
Membership No. 46488

Mumbai, Dated : 29th June 2009

# INDIAN EXTRACTIONS LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

### Re: Indian Extractions Limited

(Referred to in Paragraph 3 of our report of even date)

- i) The nature of the Company's business /activities during the year has been such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Major Items of fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
  - c) The Company has not disposed off a substantial part of fixed assets during the year.
- iii)
  - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of its inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iv)
  - a) There are no loans secured or unsecured given to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence clause (a), (b), (c) and (d) of clause (iii) are not applicable to the Company.
  - b) The Company had taken an unsecured loan from a party covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 275 lacs and the year end balance of loans taken was Rs. 125 lacs.
  - c) In our Opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
  - d) The Company is generally regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- vi)
  - a) According to the information and explanation given to us, we are of the opinion that the the particulars of contracts/arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) According to the information and explanations given to us, there are no transactions, which are in excess of Rs. 5 Lacs in respect of each party covered under section 301 of the Companies Act, 1956 (excluding loans reported under paragraph (vi) above). Hence, Clause (v) (b) of paragraph 4 of the Companies (Auditors Report) order, 2003 is not applicable.
- vii) According to the information and explanations given to us, the Company has complied with the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from public. We are informed that no Order has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal in this respect.
- viii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- ix) According to the information and explanations given to us the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the the Companies Act, 1956, in respect of products manufactured by the Company.

- x) a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess Value Added Tax and any other statutory dues with the appropriate authorities during the year, where applicable. According to the information and explanation given to us, no arrears of statutory dues as at 31<sup>st</sup> March, 2009 were outstanding for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited as on 31st March, 2009 on account of any dispute are given below :

Name of Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax Demands	26.64	A.Y. 1991-92	Gujarat Sales Tax Tribunal, Ahmedabad.

- xi) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. *The Company has incurred cash losses during the financial year covered by our audit : however the company had not incurred cash losses during the immediately preceding financial year.*
- xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- xiii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xv) To the best of our knowledge and belief, and according to the information and explanations given to us, the term loan taken during the year has been applied for the purpose for which it was obtained.
- xvi) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used for long term investment.
- xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xviii) The Company has not issued any debentures during the year.
- xix) The Company has not raised any money by way of public issues during the year.
- xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For DELOITTE HASKINS AND SELLS**  
**Chartered Accountants**

**A. B. Jani**  
**Partner**  
 Membership No. : 46488

Mumbai,  
 Dated: 29<sup>th</sup> June, 2009

# INDIAN EXTRACTIONS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009

	Schedule	Rupees	As at 31 <sup>st</sup> March 2009 Rupees	As at 31 <sup>st</sup> March 2008 Rupees
<b>SOURCES OF FUNDS</b>				
<b>1. Shareholders' Funds:</b>				
(a) Share Capital	1	3,33,76,330		3,33,76,330
(b) Reserves and Surplus	2	15,95,65,667		16,13,09,394
			19,29,41,997	19,46,85,724
<b>2. Loan Funds:</b>				
(a) Secured Loans	3	14,65,25,985		11,32,08,697
(b) Unsecured Loans	4	3,37,45,000		2,20,15,000
			18,02,70,985	13,52,23,697
<b>3. Deferred Tax Liability (Net)</b>			--	24,35,077
	<b>TOTAL</b>		<b>37,32,12,982</b>	<b>33,23,44,498</b>
<b>APPLICATION OF FUNDS</b>				
<b>1. Fixed Assets:</b>	5			
(a) Gross Block		29,13,15,476		28,09,37,163
(b) Less: Depreciation		10,25,84,369		9,95,69,388
(c) Net Block			18,87,31,107	18,13,67,775
(d) Capital Work in Progress			3,06,50,753	--
			21,93,81,860	18,13,67,775
<b>2. Investments</b>	6		6,100	1,00,06,180
<b>3. Current Assets, Loans and Advances:</b>				
(a) Inventories	7	8,71,55,082		12,00,11,829
(b) Sundry Debtors	8	3,87,48,617		2,52,32,476
(c) Cash and Bank Balances	9	1,36,41,447		73,73,084
(d) Other Current Assets	10	4,203		4,203
(e) Loans and Advances	11	2,16,45,006		1,76,78,731
		16,11,94,355		17,03,00,323
Less: Current Liabilities and Provisions:				
(a) Liabilities	12	2,22,28,818		3,22,68,785
(b) Provisions	13	35,28,911		17,60,281
		2,57,57,729		3,40,29,066
<b>Net Current Assets</b>			13,54,36,626	13,62,71,257
<b>4. Profit &amp; Loss Account</b>			1,83,88,396	46,99,286
	<b>TOTAL</b>		<b>37,32,12,982</b>	<b>33,23,44,498</b>
Significant Accounting Policies and Notes on Accounts:	18			

As per our attached Report of even date.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A. B. Jani  
Partner  
MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2008

For and on Behalf of the Board of Directors

S. B. JHAVERI  
Chairman & Managing Director

MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

ANAND R. DALAL  
ASIT D. JAVERI  
AMIT B. SHAH  
ANKUR M. MANECK  
Directors



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	Schedule	Rupees	Rupees	Previous Year Rupees
<b>INCOME:</b>				
Turnover (Gross)		69,86,48,733		61,28,33,108
Less: Excise duty		<u>2,87,623</u>		4,81,535
Turnover (Net)			69,83,61,110	61,23,51,573
Other Income	14		43,14,888	49,77,687
(Decrease) / Increase in Stocks of finished goods and process stocks	15		<u>(3,20,21,734)</u>	2,56,97,400
<b>TOTAL</b>			<u><b>67,06,54,264</b></u>	<u>64,30,26,660</u>
<b>EXPENDITURE:</b>				
Purchase of Trading Goods			9,21,07,996	3,68,18,067
Manufacturing and Other Expenses	16		57,48,39,963	59,31,37,998
Interest and Finance Charges	17		1,46,58,929	1,16,09,534
Depreciation		65,26,387		49,54,266
Less: Depreciation on the amount added on revaluation transferred from Revaluation Reserve		<u>17,43,727</u>		10,80,097
			47,81,660	38,74,169
<b>TOTAL</b>			<u><b>66,63,88,548</b></u>	<u>64,54,39,768</u>
<b>(Loss) before tax</b>			<u><b>(1,57,34,284)</b></u>	<u>(24,13,108)</u>
Provision for Tax:				
- Wealth Tax		29,903		(16,190)
- Deferred Tax		<u>(24,35,077)</u>		57,902
- Fringe Benefit Tax		3,60,000		(3,10,000)
			<u>(20,45,174)</u>	<u>(2,68,288)</u>
<b>(Loss) for the year</b>			<u><b>(1,36,89,110)</b></u>	<u>(26,81,396)</u>
(Short) / Excess Provision for taxes in respect of earlier years			-	(51,929)
			<u>(1,36,89,110)</u>	<u>(27,33,325)</u>
Balance brought forward from previous year			<u>(2,37,48,857)</u>	<u>(2,23,37,292)</u>
Less: Adjustment on account of transitional provision of accounting Stanadrd 15			-	13,21,760
			<u>(3,74,37,967)</u>	<u>(2,37,48,857)</u>
General Reserve Deducted as per contra			<u>(1,90,49,571)</u>	<u>(1,90,49,571)</u>
Balance carried to balance sheet			<u><b>(1,83,88,396)</b></u>	<u>(46,99,286)</u>
Basic and Diluted Earnings per Share			(4.10)	(0.82)
(Refer Note No.B-7 of Schedule 18)				
Significant Accounting Policies and Notes on Accounts:	18			

As per our attached Report of even date.

For and on Behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**S. B. JHAVERI**  
Chairman & Managing Director

**ANAND R. DALAL**  
**ASIT D. JAVERI**  
**AMIT B. SHAH**  
**ANKUR M. MANECK**  
Directors

**A. B. Jani**  
Partner  
MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

# INDIAN EXTRACTIONS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net (Loss) before tax		(1,57,34,284)		(24,13,108)
<u>Adjustments for</u>				
Depreciation	47,81,660		38,74,169	
(Profit) / Loss on sale of Fixed Assets (Net)	(14,30,970)		(2,83,450)	
Interest and Finance Charges	1,46,58,929		1,16,09,534	
Income Tax Refund	--		(5,51,944)	
Sundry credit balances written back (Net)	(3,27,299)		(13,794)	
Interest Income	(2,48,481)		(6,20,939)	
		<u>1,74,33,839</u>		<u>1,40,13,576</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		16,99,555		1,16,00,468
<u>Adjustments for</u>				
(Increase) / Decrease in Trade and other receivables	(1,65,31,222)		1,90,94,130	
(Increase) / Decrease in Inventories	3,28,56,747		(2,12,01,412)	
Increase / (Decrease) in Trade Payables	(1,01,02,198)		(58,34,049)	
		<u>62,23,327</u>		<u>(79,41,331)</u>
CASH (USED IN) / FROM OPERATIONS		<u>79,22,882</u>		<u>36,59,137</u>
Direct Taxes Paid		(4,15,356)		(1,80,342)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(A)	<u>75,07,526</u>	(A)	<u>34,78,795</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to Fixed Assets and Capital Work in Progress	(4,55,47,887)		(27,98,853)	
Proceeds from sale of Fixed Assets	24,39,385		4,12,500	
Proceeds from sale of Investments	1,00,00,080		--	
Interest Received	2,89,860		5,33,356	
NET CASH (USED IN) INVESTING ACTIVITIES	(B)	<u>(3,28,18,562)</u>	(B)	<u>(18,52,997)</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	4,39,37,717		-	
Repayment of Long Term Borrowings	(1,27,67,604)		(20,61,799)	
Proceeds from short Term Borrowings (Net)	1,38,77,175		96,65,812	
Dividend Paid	-		(250)	
Interest Paid	<u>(1,34,30,713)</u>		<u>(1,13,77,152)</u>	
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(C)	3,16,16,575	(C)	(37,73,389)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	[A+B+C]	63,05,539	[A+B+C]	(21,47,591)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (OPENING BALANCE)		72,31,892		93,79,483
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (CLOSING BALANCE)		1,35,37,431		72,31,892

	<u>As at 31st March, 2009</u>	<u>As at 31st March, 2008</u>
<b>3. Reconciliation of cash and cash equivalents</b>		
As per Balance Sheet- Schedule 9	1,36,41,447	73,73,084
less:		
interest accrued on bank deposits	1,04,016	1,41,192
As per Cash flow statement	<u>1,35,37,431</u>	<u>72,31,892</u>

As per our attached Report of even date.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**A. B. Jani**  
Partner  
MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

For and on Behalf of the Board of Directors

**S. B. JHAVERI**  
Chairman & Managing Director

MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

**ANAND R. DALAL**  
**ASIT D. JAVERI**  
**AMIT B. SHAH**  
**ANKUR M. MANECK**  
Directors

# INDIAN EXTRACTIONS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
50,00,000 Equity Shares of Rs.10/- each		<u>5,00,00,000</u>	<u>5,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
33,37,633 Equity Shares of Rs. 10/- each, fully paid-up		<u>3,33,76,330</u>	<u>3,33,76,330</u>
Note: Of the above 19,80,000 Equity Shares were allotted as fully paid-up in an earlier year by way of bonus shares by capitalisation as under:			
(a) From General Reserve	98,00,000		
(b) From Revaluation Reserve	<u>1,00,00,000</u>		
	<u>1,98,00,000</u>		
<b>TOTAL</b>		<u><u>3,33,76,330</u></u>	<u><u>3,33,76,330</u></u>
<b>SCHEDULE 2</b>			
<b>RESERVES AND SURPLUS</b>			
<b>CAPITAL RESERVE</b>			
(Cash Subsidy Received from Gujarat State Government)			
As per last Balance Sheet		8,48,010	8,48,010
<b>SHARE PREMIUM ACCOUNT</b>			
As per last Balance Sheet		1,94,79,336	1,94,79,336
<b>REVALUATION RESERVE</b>			
As per last Balance Sheet	14,00,82,048		1,95,09,184
Add : Revaluation of assets during the year (refer note 2 (b) of schedule 5)	--		12,16,52,961
Less: Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account	<u>17,43,727</u>		<u>10,80,097</u>
		<u>13,83,38,321</u>	<u>14,00,82,048</u>
<b>GENERAL RESERVE</b>			
As per last Balance Sheet	1,90,49,571		1,90,49,571
Less : Debit balance in Profit and Loss Account deducted per contra	<u>1,90,49,571</u>		<u>1,90,49,571</u>
			--
<b>EXPORT PROFIT RESERVE</b>			
As per last Balance Sheet		9,00,000	9,00,000
<b>TOTAL</b>		<u><u>16,95,65,667</u></u>	<u><u>16,13,09,394</u></u>

		As at <b>31st March, 2009</b> Rupees	As at 31st March, 2008 Rupees
--	--	--	-------------------------------------

### SCHEDULE 3

#### SECURED LOANS

Loans and Advance From Banks

Cash Credit accounts etc	1	10,97,91,618	10,76,44,443
Term Loan	2	3,41,79,936	55,64,254
Vehicle Loan	3	25,54,431	--
<b>TOTAL</b>		<b>14,65,25,985</b>	<b>11,32,08,697</b>

- Notes:
- 1 Secured by hypothecation of Premises, Stores, Spares, Plant and Machinery, present and future Book Debts, other receivables, stock in Trade and Other Stores and guaranteed by the Managing Directors.
  - 2 Secured by hypothecation of New Boiler, Extractor, New Refinery.
  - 3 Secured by hypothecation of Vehicle Purchased.

### SCHEDULE 4

#### UNSECURED LOANS

Fixed Deposits	1,62,45,000	1,25,15,000
Short Term Loans and Advances:		
From Directors	1,25,00,000	45,00,000
From Others - Inter Corporate Deposit	50,00,000	50,00,000
<b>TOTAL</b>	<b>3,37,45,000</b>	<b>2,20,15,000</b>

### SCHEDULE 5

#### FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1.4.2008	Additions	Deductions	Additions on Revaluation	As at 31.3.2009	Up to 31.3.2008	For the year	Deductions	Up to 31.3.2009	As at 31.3.2009	As at 31.3.2008
Freehold Land	9,94,29,911	-	-	-	9,94,29,911	-	-	-	-	9,94,29,911	9,94,29,911
Leasehold Land	4,11,43,954	-	-	-	4,11,43,954	29,95,304	8,11,674	-	38,06,978	3,73,36,976	3,81,48,650
Buildings	4,64,63,489	-	5,60,205	-	4,59,03,284	3,75,23,361	8,44,330	3,00,308	3,80,67,383	78,35,901	89,40,128
Plant and Machinery	8,03,67,731	98,88,176	5,13,555	-	8,97,42,352	4,83,73,205	36,03,903	4,73,259	5,15,03,849	3,82,38,503	3,19,94,526
Furniture, Fixtures and Equipment	46,06,841	1,45,214	30,350	-	47,21,705	38,42,695	1,80,947	28,943	39,94,699	7,27,006	7,64,146
Vehicles	89,25,237	48,63,744	34,14,711	-	1,03,74,270	68,34,823	10,84,533	27,07,896	52,11,460	51,62,810	20,90,414
<b>TOTAL</b>	<b>28,09,37,163</b>	<b>1,48,97,134</b>	<b>45,18,821</b>	<b>-</b>	<b>29,13,15,476</b>	<b>9,95,69,388</b>	<b>65,25,387</b>	<b>35,10,406</b>	<b>10,25,84,369</b>	<b>18,87,31,107</b>	<b>18,13,67,775</b>
PREVIOUS YEAR	14,78,06,198	1,29,14,404	14,36,400	12,16,52,961	28,09,37,163	9,59,22,472	49,54,266	13,07,350	9,95,69,388		
Capital Work In Progress (including Capital Advances)										3,06,50,753	--
										21,93,81,860	18,13,67,775

- Notes:
1. Gross Block is at cost or book value and includes amount added on revaluation. Revalued amounts substituted for Historical Cost of Fixed Assets and method adopted to compute revalued amounts, are as per Note 2 below:
  2. (a) Freehold Land, Leasehold Land, Building and Plant and Machinery at Jamnagar have been revalued on 31st March, 1993 at Net Current Replacement Cost on the basis of valuation made by external valuers resulting in a net increase of Rs.7,38,90,810/- being surplus on Revaluation as on 31st March, 1993.  
(b) Freehold land, Leasehold land, at Jamnagar have been further revalued on 31st March 2008 on the basis of valuation made by external valuers resulting in net increase of Rs. 12,16,52,961/- being surplus on Revaluation as on 31st March 2008.
  3. Depreciation for the year includes depreciation provided on revalued cost of assets.
  4. Vehicle purchased during the year aggregating to Rs 48,63,744/- (Previous Year Rs. NIL) are hypothecated against vehicle loan.

# INDIAN EXTRACTIONS LIMITED

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 6</b>		
<b>INVESTMENTS: (LONG TERM) (NON TRADE)</b>		
<b>I. GOVERNMENT SECURITIES</b>		
6 Years National Saving Certificates (Deposited with Collector of Jamnagar District)	6,100	6,100
<b>II. EQUITY SHARES (quoted)</b>		
500 Shares of Elbee Services Limited of the face value of Rs.10/- each fully paid up.	70,000	70,000
2300 Shares of Life Style Fabrics Limited of the face value of Rs.10/- each fully paid up.	17,885	17,885
	<u>87,885</u>	<u>87,885</u>
<b>II. PREFERENCE SHARES (unquoted)</b>		
(Previous year 11,62,800)14% - Cumulative Redeemable Preference Shares of Phthalo Colours & Chemicals (India) Ltd. of Rs. 5/- each Fully Paid up.	-	1,00,00,080
	<u>93,985</u>	<u>1,00,94,065</u>
Less: Provision	<u>87,885</u>	<u>87,885</u>
<b>TOTAL</b>	<u><u>6,100</u></u>	<u><u>1,00,06,180</u></u>
Note:		
Aggregate of quoted Investments	-	-
Cost (Net of Provision made) (Market Value)	33,810	40,710
Aggregate of unquoted investments (Cost)	6,100	1,00,06,180

## **SCHEDULE 7**

### **INVENTORIES :**

1. Stores and Spare Parts	66,75,475	62,90,690
2. Stock in Trade :		
Raw Materials	3,33,99,564	3,46,19,352
Finished Goods	3,61,61,477	6,70,19,665
Process Stock	<u>1,09,18,576</u>	<u>1,29,82,122</u>
	<u>8,04,79,607</u>	<u>11,37,21,139</u>
<b>TOTAL</b>	<u><u>8,71,55,082</u></u>	<u><u>12,00,11,829</u></u>

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
--	-------------------------------------	-------------------------------------

### SCHEDULE 8

#### SUNDRY DEBTORS : (UNSECURED)

Debts outstanding for a period exceeding six months

Others Debts

Less : Provision

26,75,393	28,40,709
<u>3,81,10,680</u>	<u>2,36,16,266</u>
<u>4,06,86,073</u>	<u>2,64,56,975</u>
<u>19,37,456</u>	<u>12,24,499</u>
<u><u>3,87,48,617</u></u>	<u><u>2,52,32,476</u></u>

Notes:

Considered Good  
Considered doubtful

3,87,48,617	2,52,32,476
<u>19,37,456</u>	<u>12,24,499</u>
<b>Total</b>	<b>Total</b>
<u><u>4,06,86,073</u></u>	<u><u>2,64,56,975</u></u>

### SCHEDULE 9

#### CASH AND BANK BALANCES

1. Cash on hand

5,02,177	1,83,887
----------	----------

2. Bank Balances

A] With Scheduled Banks

In Current Accounts

1,04,96,114	32,35,665
-------------	-----------

In Fixed Deposit Accounts

[Including Interest accrued Rs. 1,04,016/-,  
(Previous Year Rs. 1,41,192/-)]

<u>26,29,016</u>	<u>39,49,192</u>
------------------	------------------

1,31,25,130	71,84,857
-------------	-----------

B] With others

Commercial Co-operative Bank Ltd., Jamnagar  
In Current Account [Maximum amount outstanding  
at any time during the year Rs. 10,105/-  
(Previous Years Rs. 535/-)]

10,105	305
--------	-----

C] With Post office, Jamnagar

In Savings Account

[Maximum Amount Outstanding at any time during  
the year Rs. 4,035/- (Previous year Rs. 4,035/-)]

4,036	4,035
-------	-------

<b>TOTAL</b>	<b>TOTAL</b>
<u><u>1,36,41,447</u></u>	<u><u>73,73,084</u></u>

### SCHEDULE 10

#### OTHER CURRENT ASSETS

Interest Accrued on Investments

4,203	4,203
-------	-------

<b>TOTAL</b>	<b>TOTAL</b>
<u><u>4,203</u></u>	<u><u>4,203</u></u>

# INDIAN EXTRACTIONS LIMITED

	Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b><u>SCHEDULE 11</u></b>			
<b>LOANS AND ADVANCES (Unsecured and considered good)</b>			
Advances recoverable in cash or in kind or for value to be received.		2,15,12,098	1,75,84,989
Advance tax (Net of Provision for Tax)		1,32,908	93,742
	<b>TOTAL</b>	<b><u>2,16,45,006</u></b>	<b><u>1,76,78,731</u></b>

## **SCHEDULE 12**

### **LIABILITIES**

#### Sundry Creditors

- (i) Total outstanding dues to Micro Enterprises  
and Small Enterprises (Refer note 6 of Schedule 18 (b))
- (ii) Total outstandings dues to Creditors other  
than Micro Enterprises and Small Enterprises

	<b><u>28,49,460</u></b>	1,11,79,441
		<b>28,49,460</b>
Advance Received from customers		1,11,79,441
Other Liabilities		1,70,74,536
Interest Accrued but not due on Loans		83,63,904
		34,96,627
		7,34,479
		5,18,181
	<b>TOTAL</b>	<b><u>2,22,28,818</u></b>
		<b><u>3,22,68,785</u></b>

## **SCHEDULE 13**

### **PROVISIONS**

#### For

Taxation (Net of Advance Tax)		29,903	16,190
Fringe Benefit Tax (Net)		86,126	86,126
Gratuity		31,00,607	12,89,219
Leave Encashment		3,12,275	3,68,746
	<b>TOTAL</b>	<b><u>35,28,911</u></b>	<b><u>17,60,281</u></b>



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	Rupees	Rupees	Previous Year Rupees
<b>SCHEDULE 14</b>			
<b>OTHER INCOME</b>			
<u>Interest</u>			
On Bank Deposits [Tax deducted at source Rs. 62,250/- (Previous year Rs. 32,366/-)]	2,04,123		2,39,311
On Government Securities (Long term) (Non trade)	-		868
On Income Tax, Sales Tax Refund etc.	3,767		3,78,664
On Others	40,591		2,096
		2,48,481	6,20,939
Profit on Sale of Fixed Assets (Net)		14,30,970	2,83,450
Export Incentive Received		9,75,000	19,51,808
Insurance claims		1,60,200	13,47,899
Income Tax Refund		-	5,51,944
Sundry Credit Balances Written back		3,27,299	13,794
Foreign Exchange Fluctuation (Net)		4,18,781	-
Miscellaneous Income		7,64,157	2,07,853
<b>TOTAL</b>		<b>43,14,888</b>	<b>49,77,687</b>

**SCHEDULE 15**

**(DECREASE) / INCREASE IN STOCKS OF FINISHED GOODS  
AND PROCESS STOCK**

Stocks as on 31st March, 2009

Finished Goods	3,61,61,477		6,70,19,665
Process Stock	1,09,18,576		1,20,82,122
		4,70,80,053	7,91,01,787

Less : Stocks as on 1st April, 2008

Finished Goods	6,70,19,665		4,34,86,418
Process Stock	1,20,82,122		99,17,969
		7,91,01,787	5,34,04,387
<b>(DECREASE) / INCREASE</b>		<b>(3,20,21,734)</b>	<b>2,56,97,400</b>

# INDIAN EXTRACTIONS LIMITED

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Rupees	Rupees	Previous Year Rupees
<b>SCHEDULE 16</b>				
<b>MANUFACTURING AND OTHER EXPENSES</b>				
Raw Materials Consumed (inogenous)			<b>48,09,75,504</b>	50,85,53,370
Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus		<b>1,29,59,194</b>		1,09,29,459
b) Contribution to Provident and other funds		<b>15,32,926</b>		13,30,022
c) Gratuity (Including Contribution to Gratuity Fund)		<b>21,61,191</b>		8,43,665
d) Welfare Expenses		<b>8,74,632</b>		6,47,210
			<b>1,75,27,943</b>	1,37,50,356
Operation and Other Expenses				
a) Stores, Spare Parts and Packing Materials Consumed (inogenous)		<b>1,75,95,525</b>		1,39,53,022
b) Power and Fuel		<b>1,99,84,597</b>		1,75,36,106
c) Factory Expenses		<b>48,48,534</b>		45,18,265
d) Rent		<b>5,70,432</b>		4,92,433
e) Repairs :				
To Buildings		<b>70,481</b>		67,496
To Machinery		<b>13,75,083</b>		31,81,568
To Others		<b>2,70,732</b>		1,89,892
			<b>17,16,296</b>	34,38,956
f) Insurance		<b>7,78,949</b>		7,90,167
g) Rates and Taxes		<b>7,09,956</b>		8,26,535
h) Brokerage and Discount		<b>7,15,767</b>		7,34,231
i) Export Freight and Shipping charges		<b>1,12,79,045</b>		1,32,42,815
j) Transport and Forwarding Charges		<b>87,24,141</b>		86,81,754
k) Porvision for doubtful debts		<b>7,12,957</b>		-
l) Donation		<b>42,203</b>		22,003
m) Directors Sitting Fees		<b>16,500</b>		13,000
n) Foreign Exchange Fluctuation (Net)		<b>-</b>		5,08,141
o) Miscellaneous Expenses		<b>86,41,614</b>		60,76,844
			<b>7,63,36,516</b>	7,08,34,272
<b>TOTAL</b>			<b>57,48,39,963</b>	59,31,37,998

Note : Miscellaneous Expenses include Auditors Remunartaion, Legal & Professional Fees, Travelling Expenses etc.

### SCHEDULE 17

#### INTEREST AND FINANCE CHARGES

##### Interest

i) On Cash Credit Accounts etc.		<b>84,45,317</b>		86,26,826
ii) On Fixed Deposits		<b>18,75,867</b>		11,90,721
iii) On Fixed Loans		<b>39,60,350</b>		17,91,987
iv) On Others		<b>3,77,395</b>		-
<b>TOTAL</b>			<b>1,46,58,929</b>	1,16,09,534

**SCHEDULE 18**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A SIGNIFICANT ACCOUNTING POLICIES:**

**1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2 USE OF ESTIMATES**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialize.

**3 FIXED ASSETS**

Fixed Assets are stated at cost of acquisition / construction or book value and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any.

**4 INVESTMENTS**

Current Investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

**5 DEPRECIATION**

Depreciation on fixed assets is provided on straight line /written down value basis in accordance with the Companies Act, 1956 (Refer Note No. B 3 ).

**6 INVENTORIES**

Inventories are valued at lower of cost and net realisable value. Cost is determined on the following basis:

(i) Stores and Spare parts	First in First out.
(ii) Raw Materials	First in First out.
(iii) Trading Goods	First in First out.
(iv) Finished Goods and Process Stock	Material Cost plus appropriate share of overheads.

**7 RETIREMENT BENEFITS**

**A) GRATUITY**

The Trustees of Indian Extractions Limited Employees' Gratuity Fund has a fund arrangement (cash accumulation policy) with Life Insurance Corporation of India (LIC) to administer its gratuity benefit scheme. The contributions towards the said funds which are as determined by LIC are charged to revenue each year. Company ascertains the Liability towards Gratuity at the year-end and provision for the differential amount between the liability determined on Actuarial Valuation and Fund balance is provided in the books of account.

**B) LEAVE ENCASHMENT**

Provision is made for leave encashment based on leave balance as at the end of the year.

**C) PROVIDENT FUND**

Liability is determined on the basis of contribution as required under the statute/rules.

**8 CENVAT CREDIT**

CENVAT Credit is accounted on accrual basis on purchase of materials.

**9 FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

**10 REVENUE RECOGNITION**

Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists.

**11 CONTINGENT LIABILITIES**

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefit will be required to settle the obligation.

**12 BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

**13 GOVERNMENT GRANTS**

Grants related to specific fixed assets are disclosed as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Profit and Loss account. Grants in the nature of promoter's contribution are treated as Capital Reserve.

**14 TAXES ON INCOME**

Tax expense comprises of current tax, deferred tax and fringe benefits tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognised

# INDIAN EXTRACTIONS LIMITED

for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefits tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

## 15 DOUBTFUL DEBTS/ADVANCES

Provision is made in the accounts in respect of debts/advances which in the opinion of the management are considered doubtful of recovery.

## 16 IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

## B. NOTES ON ACCOUNTS

	Rupees	Previous Year Rupees
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	1,91,324	-
2 Contingent Liabilities in respect of		
(a) * Disputed demands of Sales Tax Authorities	29,49,185	28,20,756
* This represents demand raised by Sales Tax authorities in the state of Gujarat for disallowance of set off taken for tax paid on purchase of raw materials and packing materials and charging of additional tax on purchase of raw materials for which matter is pending before Gujarat Sales Tax Tribunal, Ahmedabad. The Company is confident that the claim will be successfully contested. The company has deposited Rs. 2,85,000/- under protest with the Sales Tax Authorities against the said demand. The deposit amount is included under account head Loans and Advances in Schedule 11.		
3 (a) Depreciation is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as follows:		
(i) in respect of new solvent plant and oil mill on straight line basis.		
(ii) in respect of old plants, water pollution control system and other assets on written down value basis.		
(b) Depreciation has been provided at the rates applicable for Continuous Process Plant (i.e. 15.33% under Written Down Value Method and 5.28% under Straight Line Method) in respect of Plant and Machinery utilised for the manufacture of Decaek and Solvent Extracted Oils installed at the Company's Jamnagar Unit by considering the aforesaid Plant and Machinery as Continuous Process Plant as defined in Schedule XIV to the Companies Act, 1956.		
(c) Depreciation for the year is provided on the revalued cost of Assets and is charged to the Profit and Loss Account.		
(d) The difference of Rs.17,43,727/- (Previous Year Rs.10,80,097/-) between depreciation provided for the year on revalued cost of assets and that calculated on original cost of assets for the year has been withdrawn from Revaluation reserve and credited to the Profit and Loss Account.		
4 Payments to Auditors :	Rupees	Previous Year Rupees
(a) As Auditors	4,00,000	2,75,000
(b) In any other manner (Certification work etc.)	1,49,600	40,500
(c) As Expenses	3,283	1,273
(d) For Service tax	77,460	37,536
<b>TOTAL</b>	<b>6,30,233</b>	<b>3,54,309</b>
5 Managerial Remuneration under section 198 of the Companies Act, 1956 :	Rupees	Previous Year Rupees
To Managing Directors :		
(i) Salaries	9,01,974	8,44,974
(ii) Perquisites in cash or in kind	4,14,135	4,47,294
(iii) Contribution towards Provident Fund and Other Funds	86,400	93,600
(iv) Gratuity	34,616	34,615
<b>TOTAL</b>	<b>14,37,125</b>	<b>14,20,483</b>

NOTE : Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 has not been given, as commission is not payable for the year to the Managing Directors.

6 As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that Basis.



		Rupees	Previous Year Rupees
7. Earnings per share is calculated by dividing the (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under -			
(Loss) attributable to equity shareholders	Rs.	(1,36,89,110)	(26,81,396)
Less : (Short) Provision for taxes in respect of earlier years	Rs.	-	(51,929)
(Loss) attributable to equity shareholders	Rs.	(1,36,89,110)	(27,33,325)
Weighted average number of shares outstanding during the year	Nos.	33,37,633	33,37,633
Basic / Diluted Earnings per share		(4.10)	(0.82)
Nominal value per share	Rs.	10	10
8. Components of deferred tax assets/(liabilities) are as under :-		Rupees	Previous Year Rupees
Depreciation		(47,76,081)	(34,05,314)
Provision for Doubtful Debts and Advances		6,52,148	4,12,166
Provision for Gratuity		10,43,664	4,33,951
Disallowance under the Income-Tax Act, 1961		1,05,112	1,24,120
<b>Total</b>		<b>(29,75,157)</b>	<b>(24,35,077)</b>

The Company also has unabsorbed depreciation and carry-forward losses aggregating to Rs.42,186,895 (Previous year Rs.24,291,459), which if considered above will result into a net deferred tax asset. However, considering the present financial position and the requirement of the accounting standard regarding certainty/virtual certainty, the Company has considered deferred tax asset to the extent of the deferred tax liability as aforesaid and hence has not accounted for the net deferred tax assets as at the year-end.

9. The post of Company Secretary has been vacant throughout the year. The Company is in the process of recruiting a whole time Company Secretary as required by section 383A of the Companies Act, 1956 and has issued advertisements during the year at regular intervals, requesting applications thereof.
10. The disclosure as required under Accounting Standard 15 (Revised 2005) on "Employee Benefits" (AS 15 R) regarding the Company's gratuity plan is as follows :

Particulars	March 31, 2009 Rupees	March 31, 2008 Rupees
i) Change in the Defined Benefit Obligation for Gratuity		
Projected Benefit Obligation at the Beginning of the year	41,14,188	40,55,557
Service Cost	2,77,684	5,82,302
Interest Cost	3,38,238	3,41,844
Actuarial (Gains)/Loss	18,05,512	(1,35,892)
Benefits paid	3,27,800	(7,29,623)
Projected Benefit Obligation at the end of the year	62,07,822	41,14,188
Defined Benefit Obligation liability for Gratuity as the Balance Sheet date is wholly funded by the Company		
ii) Change in the Plan Assets		
Fair value of the Assets at the beginning of the year	28,24,969	30,18,978
Actual returns on plan Assets	2,39,390	2,34,823
Contribution	3,31,300	2,81,121
Benefits paid	(3,27,800)	(7,29,623)
Actuarial Gain / ( Loss ) on Planned Assets	39,356	19,670
Fair value of plan asset at the end of the year	31,07,215	28,24,969
iii) Gratuity cost for the year		
Service cost	2,77,684	5,82,302
Interest cost	3,38,238	3,41,844
Expected return on plan assets	(2,39,390)	(2,34,823)
Actuarial (Gains)/Loss	17,66,156	(1,55,562)
Net periodic Gratuity cost	21,42,688	5,33,761
(b) Assumptions: -	March 31, 2009	March 31, 2008
Discount rate	8%	8%
Rate of increase in compensation levels of covered employees	5%	5%

# INDIAN EXTRACTIONS LIMITED

## 11. Related Party Disclosures

(a) Name of the related party	Nature of relationship
Shri S. B. Jhaveri Shri P. S. Jhaveri	Key management personnel
Pathalo Colours & Chemicals (I) Ltd. Nanavati Sons Private Ltd. Nanavati Electronics Private Ltd. Sonera Investment Private Ltd. Sonega Traders & Investment Private Ltd. Nanavati Chemex Private Ltd. Medchem Technologies Private Ltd. Nanavati Speciality Chemicals Private Ltd.	Enterprises over which key management personnel are able to exercise significant influence

### (b) Transactions with the related parties during the year

Rupess

Nature of transactions	Key management personnel	Enterprises over which key management personnel are able to exercise significant influence	Total
<b>Miscellaneous Expenses</b>			
Nanavati Speciality Chemicals Pvt. Ltd.	---	1,73,290 (1,63,820)	1,73,290 (1,63,820)
Nanavati Electronics Pvt. Ltd.	(---) (---)	60,000 (60,000)	60,000 (60,000)
<b>Rent</b>			
Nanavati Sons Pvt. Ltd.	---	54,528 (47,113)	54,528 (47,113)
<b>Loan Received</b>			
Phthalo Colours and Chemicals (I) Ltd.	---	50,00,000 (35,00,000)	50,00,000 (35,00,000)
P. S. Jhaveri	2,30,00,000 (45,00,000)	---	2,30,00,000 (45,00,000)
<b>Loan Repaid</b>			
Phthalo Colours and Chemicals (I) Ltd.	---	50,00,000 (35,00,000)	50,00,000 (35,00,000)
P. S. Jhaveri	1,50,00,000 (---)	---	1,50,00,000 (---)
<b>Remuneration to key Management Personnel - Managerial remuneration</b>			
S. B. Jhaveri	8,67,315 (8,38,148)	---	8,67,315 (8,38,148)
P. S. Jhaveri	5,69,810 (5,82,335)	---	5,69,810 (5,82,335)
<b>Sales of 14% Cumulative Redeemable Preference Share of Phthalo Colours &amp; Chemicals (I) Ltd.</b>			
P. S. Jhaveri	1,00,00,080 (---)	---	1,00,00,080 (---)
<b>Sales</b>			
Phthalo Colours & Chemicals (I) Ltd.	---	1,56,18,367 (1,93,02,186)	1,56,18,367 (1,93,02,186)
<b>Recovery of Expenses</b>			
Phthalo Colours & Chemicals (I) Ltd.	---	2,22,282 (3,80,180)	2,22,282 (3,80,180)
<b>Outstanding as at year end</b>			
<b>Receivables</b>	---	---	---
	(---)	(45,46,775)	(45,46,775)
<b>Payables</b>	1,36,76,729 (59,94,230)	34,010 (---)	1,37,10,739 (59,94,230)

12. Segment Information :

I) Segment Information for primary reporting (by business segment)

The company has only one reportable business segment, i. e., processing expeller oilcakes for producing solvent extracted refined oil and hence disclosures for primary segment are not given.

II) Secondary : Geographical (Location of customers)

(Rupees)

		Export	Local	Total
A	Revenue (Turnover)	9,74,36,405 (19,01,30,179)	60,09,24,705 (42,22,21,394)	69,83,61,110 (61,23,51,573)
B	Carrying amount of assets	47,31,206 (48,52,169)	37,58,51,109 (35,68,22,109)	38,05,82,315 (36,16,74,278)
C	Additions to fixed assets (including CWIP)	-	4,55,47,887 (1,29,14,404)	4,55,47,887 (1,29,14,404)

**Note :** a) Segregation of assets (except sundry debtors) into secondary segments has not been done as all the assets are located and used in India and the Company is of the view that it is not practical to reasonably allocate such assets and an ad-hoc allocation will not be meaningful. Consequently, the carrying amounts of assets (except for sundry debtors) by location of assets are not given.  
b) Figures in the bracket pertain to the figures of the previous year.

13. Additional information pursuant to the provisions of paragraphs 3.4C & 4D of part II to the Scheule VI to the Companies Act 1956.

	Quantity M.T	Value Rupees	Previous Year	
			Quantity M. T.	Value Rupees
<b>A. Turnover</b>				
De-oiled Cakes	38,602	46,57,84,236	44,152	38,98,74,042
Solvent Extracted Oils	2,551	15,61,24,229	2,944	17,65,02,840
Expeller Oils Refined / Soyabean Degummed Oil	1,048	4,78,96,642	419	2,32,25,021
Copper Scrap	42	1,66,18,367	62	1,93,02,186
Seeds	483	1,04,18,821	-	-
Others		25,18,815		34,47,484
		<u>69,83,61,110</u>		<u>61,23,51,573</u>
<b>B. Goods Traded in Purchases</b>				
De-oiled Cakes	2,014	1,99,22,679	588	52,52,175
Solvent Extracted Oils	150	85,02,016	100	67,58,975
Expeller Oils Refined / Soyabean Degummed Oil	928	4,00,28,516	143	58,83,205
Seeds	483	83,42,660	-	-
Copper Scrap	42	1,53,12,125	62	1,89,23,712
		<u>9,21,07,996</u>		<u>3,68,18,067</u>
<b>C. Raw materials Consumed (Net of sales)</b>				
Oilcakes	36,253	46,26,00,175	45,766	48,63,97,420
Expeller Oils	157	88,05,120	213	1,21,93,946
Others		92,82,585		99,62,004
		<u>48,06,87,880</u>		<u>50,85,53,370</u>

	Opening Stock		Closing Stock		Previous Year		Previous Year	
	Quantity M. T.	Value Rupees	Quantity M. T.	Value Rupees	Opening Stock		Closing Stock	
					Quantity M.T.	Value Rupees	Quantity M.T.	Value Rupees
<b>D. Stocks</b>								
De-Oiled Cakes	4,939	5,59,10,536	2,470	3,33,25,694	5,385	3,67,47,894	4,939	5,59,10,536
Solvent Extracted Oils	162	1,09,51,809	33	18,90,362	75	37,32,724	162	1,09,51,809
Expeller Oils	-	-	24	8,28,379	65	28,35,713	-	-
Others		1,57,320		1,17,042		1,70,087		1,57,320
		<u>6,70,19,665</u>		<u>3,61,61,477</u>		<u>4,34,86,418</u>		<u>6,70,19,665</u>

# INDIAN EXTRACTIONS LIMITED

## E. Capacity and Production

Licensed Capacity	Not Applicable	Previous Year Not Applicable
Installed Capacity (As certified by the management) Extraction Plant	300 MTs per day	300 MTs per day
<u>Production</u>	<u>Quantity M. T.</u>	<u>Quantity M. T.</u>
De-oiled Cakes	34,119	43,117
Solvent Extracted Oils	2,272	2,930
Expeller Oils Refined	145	210

**Rupess** **Rupess**

F. <u>Value of Imports on CIF basis in respect of Traded Goods</u>	1,53,12,125	3,68,18,067
G. <u>Expenditure in Foreign Currency:</u>		
Other matters -(Travelling expenses, Bank Chages, Membership Fees etc.)	8,72,200	8,41,503
H. <u>The amount of exchange Difference (including Forward Cover contract) included in the Profit and Loss account for the year is:</u>		
a. Exchange gain	6,96,660	13,96,984
b. Exchange Loss	2,77,879	16,48,438

- a. The Company enters into foreign exchange forward contract to offset the foreign currency risk arising from the amount denominated in currencies other than the Indian Rupees. The counter party to the companies foreign currency forward contract is generally a bank.
- b. Amount receivables in foreign currency on account of the following :

	2009 In Rupees	2008 In Rupees	2009 In foreign Currency	2008 In foreign Currency
<b>Debtors</b>	48,46,700	12,21,947	\$90,000	\$ 30,943

- c. The year end foreign currency expenses that have not been hedged by a derivate instrument or otherwise are given below :

	2009 In Rupees	2008 In Rupees	2009 In foreign Currency	2008 In foreign Currency
<b>Debtors</b>	1,45,706	-	\$ 2,860	-

## I. Earnings in Foreign Exchange :

Export of Goods on FOB basis	9,09,04,992	18,35,02,053
------------------------------	-------------	--------------

14. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

### SIGNATURES TO SCHEDULES 1 TO 18

As per our attached Report of even date.

For and on Behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**S. B. JHAVERI**  
Chairman & Managing Director

**ANAND R. DALAL**  
**ASIT D. JAVERI**  
**AMIT B. SHAH**  
**ANKUR M. MANECK**  
Directors

**A. B. Jani**  
Partner

MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009

MUMBAI  
DATED : 29<sup>th</sup> JUNE, 2009





**Balance Sheet Abstract and Company's General Business Profile.**

**I Registration Details**

Registration No. : 09720

State Code : 11

Balance Sheet Date : 31.03.2009

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue						
		-	-	-		

Rights Issue						
		-	-	-		

Bonus Issue						
		-	-	-		

Private Placement						
		-	-	-		

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities						
	3	8	0	5	8	2

Total Assets						
	3	8	0	5	8	2

**Source of Funds**

Paid-Up Capital						
	3	3	3	7	6	

Reserves and Surplus						
	1	5	9	5	6	6

Secured Loans						
	1	4	6	5	2	6

Unsecured Loans						
	3	3	7	4	5	

Deferred Tax Liability (net)						
		N	I	L		

**Application of Funds**

Net Fixed Assets						
	2	1	9	3	8	2

Investments						
						6

Net Current Assets						
	1	3	5	4	3	7

Miscellaneous Expenditure						
		N	I	L		

Accumulated Losses						
	1	8	3	8	8	

**IV. Performance of Company (Amount in Rs. Thousands )**

Turnover						
	6	9	8	3	6	1

Total Expenditure						
	6	8	6	3	8	8

+	-	(Loss) / Profit Before Tax				
	✓	(1	5	7	3	4)

+	-	(Loss) / Profit after Tax				
	✓	(1	3	6	8	9)

Earning per Share						

Dividend Rate %						
						NIL

**V. Generic Names of Principal Products / Services of the Company [as per monetary terms]**

Item Code No. [ITC Code]

2	3	0	5	0	0	-	0	2
---	---	---	---	---	---	---	---	---

Product Description :

O	I	L	-	C	A	K	E		M	E	A	L		O	F	
G	R	O	U	N	D	N	U	T		S	O	L	V	E	N	T
E	X	T	R	A	C	T	E	D		V	A	R	I	E	T	Y
(	D	E	F	A	T	T	E	D	)							

Item Code No. [ITC Code]

1	5	0	8	9	0		0	9	-	0	1	0
---	---	---	---	---	---	--	---	---	---	---	---	---

Product Description :

G	R	O	U	N	D	N	U	T		O	I	L		O	F
E	D	I	B	L	E		G	R	A	D	E				

Item Code No. [ITC Code]

2	3	0	4	0	0	-	0	3
---	---	---	---	---	---	---	---	---

Product Description:

O	I	L	-	C	A	K	E		M	E	A	L		O	F	
S	O	Y	A	B	E	A	N		S	O	L	V	E	N	T	
E	X	T	R	A	C	T	E	D		V	A	R	I	E	T	Y

# INDIAN EXTRACTIONS LIMITED

REGD. OFFICE : NANAVATI MAHALAYA, 18, HOMI MODI STREET, FORT, MUMBAI - 400 001.



## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member/Proxy (In Block Letters)	Membership Folio No.
	No. of Shares held

I hereby record presence at the 53<sup>rd</sup> ANNUAL GENERAL MEETING of the Company being held on WEDNESDAY, the 23<sup>rd</sup> September, 2009 at 4.30 p. m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.

Member's / Proxy's Signature

(To be signed at the time of handing over the slip)

TEAR HERE

# INDIAN EXTRACTIONS LIMITED

REGD. OFFICE : NANAVATI MAHALAYA, 18, HOMI MODI STREET, FORT, MUMBAI - 400 001.



## FORM OF PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of the above name Company, hereby appoint \_\_\_\_\_  
\_\_\_\_\_ or failing him/her \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 53<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held on WEDNESDAY, the 23<sup>rd</sup> September, 2009 at 4.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai 400 001 and at any adjournment thereof.

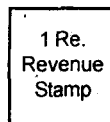
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Membership Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Important :

- Revenue Stamp of 1 Re. is to be affixed on this form.
- The form should be signed across the stamp as per specimen signature registered with the Company.
- The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting at Registered Office of the Company situated at Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai 400 001.
- A proxy need not be a Member.



BOOK-POST



*If undelivered Please Return to:*

**INDIAN EXTRACTIONS LIMITED**

**REGISTERED OFFICE :**

**NANAVATI MAHALAYA,**

**18, HOMI MODI STREET,**

**FORT, MUMBAI 400 001.**