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Indian Extractions Limited

CERTIFIED TRUE COPY

For Indian Extractions Limited

Report



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Managing Director

41st ANNUAL REPORT

1996-97



Indian Extractions Limited

DIRECTORS :

SHRI SHANTILAL B. JHAVERI
Chairman and Managing Director

SHRI PRIYAM S. JHAVERI
Joint Managing Director

SHRI ATULYA Y. MAFATLAL

SHRI ANAND R. DALAL

SHRI ASIT D. JAVERI

SHRI PINAKIN K. PATEL

AUDITORS :

M/S. C. C. CHOKSHI & CO.
Chartered Accountants

BANKERS :

UNION BANK OF INDIA

STATE BANK OF INDIA

ANDHRA BANK

BANK OF BARODA

COMMERCIAL CO-OP. BANK LTD.

STATE BANK OF BIKANER & JAIPUR

REGISTERED OFFICE :

NANAVATI MAHALAYA,
18, HOMI MODI STREET,
FORT, MUMBAI 400 023.

FACTORIES :

EXTRACTION UNIT :

PANDIT NEHRU MARG,
JAMNAGAR - 361 002.

CHEMICAL UNIT :

PLOT NOS. A2 / 709 & 768
40 SHEDS AREA,
G.I.D.C., VAPI - 396 195.

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NOTICE

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of the Members of **INDIAN EXTRACTIONS LIMITED** will be held on **Monday the 22nd September, 1997** at **3.00 p.m.** at **Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce Trust, Orion House, 12, K. Dubhash Marg, Fort, Mumbai - 400 023** to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account of the Company for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anand R. Dalai, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Pinakin K. Patel, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION :

"RESOLVED THAT Mr. S. B. Jhaveri be and is hereby re-appointed by the Shareholders in this General Meeting to be the Managing Director of the Company for a period of five years from 1st April 1997, being not liable to retire by rotation, so long as he holds the office as such Managing Director."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment and the terms of remuneration of Mr. S. B. Jhaveri as the Managing Director of the Company for a period of five years with effect from 1st April 1997 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft of the Agreement (the particulars of which are enumerated in the Explanatory Statement Annexed hereto), placed before this Meeting and initiated by the Chairman for the purpose of identification, which agreement hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement and that the Board of Directors of the Company be and is hereby authorised to enter into an Agreement with Mr. S. B. Jhaveri in terms of the said draft of the Agreement with such modifications as may be agreed to and acceptable to the Board of Directors and to Mr. S. B. Jhaveri."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to give effect to the foregoing resolution."

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 close from Monday, the 15th September, 1997 to Monday, the 22nd September, 1997 (both days inclusive).

Indian Extractions Limited

3. Dividend on Equity Shares, if approved at the Annual General Meeting will be paid (and the dividend warrant will be posted) to those Members whose names are on the Register of Members of the Company as on the date of Annual General Meeting i.e. 22nd September, 1997.
4. Members are requested to
 - (i) immediately intimate change of address, if any, to the Company 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.
5. Members/Proxies are requested to bring the copy of their Annual Report alongwith them and to produce the attendance slip at the entrance of the Meeting Hall.

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

S. B. JHAVERI
Chairman and Managing Director

Registered Office :
Nanavati Mahalaya,
18, Homi Modi Street,
Mumbai - 400 023

Dated : 11th August, 1997

ANNEXURE TO THE NOTICE

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

ITEM NO. 6

The Board of Directors have at their Meeting held on 27th February, 1997 approved the re-appointment of Mr. S. B. Jhaveri as the Managing Director of the Company for a period of 5 years on the terms and conditions mentioned herein below, subject to the approval of the Shareholders and subject to all other necessary approvals/sanctions. Mr. S. B. Jhaveri is presently the Managing Director of the Company and his term of appointment expired on 31st March 1997. The Board considers that the services of Mr. S. B. Jhaveri continuing as the Managing Director of the Company will be very valuable for the growth of the Company.

The re-appointment of Mr. S. B. Jhaveri as the Managing Director of the Company would be pursuant to the provisions of Section 269 read with schedule XIII to the Companies Act, 1956.

The terms and conditions for the re-appointment of Mr. S. B. Jhaveri as the Managing Director are mentioned below :

1. **PERIOD OF APPOINTMENT** : 5 Years from 1st April 1997



2. 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 modifications 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.50,000/- per month and applicable perquisites and commission of 2% on the net profit.

3. OVERALL LIMIT :

The remuneration referred to in Clause 2 hereof 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.

4. 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.

5. He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.

6. OTHER FACILITIES :

He will be eligible for all other facilities privileges and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company.

Your Director recommend the Resolution for your approval. Except for Mr. S. B. Jhaveri and Mr. P. S. Jhaveri, none of the Directors is interested in the Resolution.

This Explanatory Statement together with Resolution under serial No. 6 to the accompanying Notice is and should be treated as abstract under Section 302 of the Companies Act, 1956.

The Draft of the Agreement is open for inspection by the Shareholders at the Registered Office of the Company during the office hours from 15th September 1997 to 22nd September 1997 on any working day.

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

S. B. JHAVERI
Chairman and Managing Director

Registered Office :
Nanavati Mahalaya,
18, Homi Modi Street,
Mumbai - 400 023

Dated : 11th August, 1997

Indian Extractions Limited**DIRECTORS' REPORT**

To,
The Members,
INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 41st Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1997.

FINANCIAL RESULTS :

	Rs.	Current Year Rs.	Previous Year Rs.
Profit for the year before providing for Depreciation and taxation		1,88,06,500	1,00,23,786
Less: Depreciation	39,93,438		37,35,894
Provision for Taxation	19,50,000		3,100
		59,43,438	37,38,994
Profit after tax		1,28,63,062	62,84,792
Add : Profit brought forward from previous year		55,67,202	26,20,043
		1,84,30,264	89,04,835
Less: Income tax adjustment in respect of earlier year		5,85,493	—
Amount available for appropriation		1,78,44,771	89,04,835
APPROPRIATION :			
Proposed Dividend (Previous year - Subject to Deduction of Tax)		46,72,686	33,37,633
Tax on Dividend		4,67,269	—
Transferred to General Reserve		7,41,521	—
Balance carried to Balance Sheet		1,19,63,295	55,67,202
		1,78,44,771	89,04,835

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs.1.40 (previous year Rs.1/-) per Equity Share of Rs.10/- each for the financial year 1996-97.

OPERATIONS :

During the year under review your Company has recorded satisfactory growth in production, sales and profitability. At Extraction Division, Jamnagar the Company processed 77803 tons of Oil Cakes/Seeds against 67364 tons in the previous year. At Chemical Division, Vapi the Company produced 313 tons of Dyes Intermediates against 326 tons in the previous year. Sales have increased to Rs.73.10 Crores from Rs.56.45 Crores in the previous year; reporting growth of 29%. Profit after tax has increased to Rs.128.62 Lacs against Rs.62.85 Lacs in the previous year; registering growth of 105%.

Your Company continues to maintain its lead position in exports of Groundnut Deoiled Cakes. Exports during the year have increased to Rs.51.29 Crores against Rs.31.58 Crores in the previous year; recording growth of 62%. Based on the export performance the Export House recognition of your company has been renewed upto 31st March 2000 by DGFT.

Your Company has undertaken expansion programme at Chemical Division, Vapi to raise production capacity from 360 T.P.A. to 540 T.P.A. which will be completed soon and will enable the Company to diversify into the production of other allied dyes intermediates besides OCPNA. The Alfa-Laval refinery at Extraction Division, Jamnagar has been successfully commissioned recently. In the absence of any unforeseen circumstances the Company expects to do better during the current year.

**PROJECTION V/S. PERFORMANCE FOR 1996-97 :**

In accordance with the Listing Agreement, we give below a Comparative Statement of the projections for the year 1996-97 as stated in the Prospectus dated 11th May, 1994 with the actual performance for the year :-

	Year ended 31st March, 1997	
	(Rs.in Lacs)	
	Projections	Actuals
Total Income	6889	7696
Gross Profit before interest, depreciation and tax	718	263
Profit after tax	403	129

DIRECTORATE :

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

PARTICULARS OF THE EMPLOYEES :

The statement of employees as required u/s.217(2A) of the Companies Act. 1956 is given in Annexure 1 forming part of this report.

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 through 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.

DEPOSITS :

There were no overdue deposits out of the outstanding amount of Rs.4,90,000/- at the end of the year.

INSURANCE :

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

AUDITORS REPORT :

The notes to the accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

AUDITORS :

You are requested to appoint Auditors and fix their remuneration.

ACKNOWLEDGEMENT :

The Directors wish to place on record their appreciation of the devoted and efficient services rendered by all employees, staff, workers and Bankers of the Company.

On behalf of the Board of Directors

S. B. JHAVERI
Chairman and Managing Director

Place : Mumbai

Dated : 8th August, 1997

Indian Extractions Limited

ANNEXURE - I TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) (B)(ii) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1997

Sl. No.	Name of the Employee	Age in years	Designation/ Nature of Duties	Remuneration Received	Qualification	Experience in years	Date of Commencement of Employment	Last Employment held, Name of the Employer, Post held & period
Persons employed throughout the Financial Year & in receipt of remunerations for the year aggregating not less than Rs.3,00,000/-.								
1.	Shri. S. B. Jhaveri	75	Chairman and Managing Director	6,09,138	B.A. (With Economics)	41	06.02.1956	Nanavati & Co. Pvt. Ltd. Sales Executive / 4 yrs.
2.	Shri P. S. Jhaveri	42	Jt. Managing Director	4,95,949	B.Com.	20	01.01.1977	—
3.	Shri A. L. Sehgal	64	President	6,19,596	B.Sc. Diploma in Oil Technology (Mumbai)	40	23.12.1957	Bhavnagar Chemical Works Chief Chemist / 2 yrs.

8

Notes: 1. The nature of employment in all cases are contractual.

2. Remuneration as above includes, where applicable, salary, commission, company's contribution to Provident Fund, Gratuity, Medical Expenses, Personal Accident Insurance Premium, House Rent Allowance etc. and the monetary value of perquisites calculated in accordance with the provisions of Income Tax Act, 1961 and rules made thereunder.

3. No person was employed for part of the financial year and in receipt of remuneration aggregating not less than Rs.25,000/- per month.

4. Shri S.B. Jhaveri and Shri P.S. Jhaveri who are directors of the Company are related to each other.

MUMBAI.

On Behalf of the Board of Directors

Dated : 8th August, 1997

S. B. JHAVERI
Chairman and Managing Director