



Indian Extractions Limited

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44TH ANNUAL REPORT
1999-2000

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

THE LAKSHMI VILAS BANK LTD.

REGISTERED OFFICE :

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

FACTORY :

PANDIT NEHRU MARG,
JAMNAGAR - 361 002.

Indian Extractions Limited

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NOTICE

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of **INDIAN EXTRACTIONS LIMITED** will be held on **THURSDAY the 28th SEPTEMBER, 2000 at 3.00 p.m. at Kilachand Conference Room, The Indian Merchants Chamber, Churchgate, Mumbai-400 020** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 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 appoint a Director in place of Mr. Atulya Y. Mafatlal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Asit D. Javeri, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to 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 Monday, the 18th September, 2000 to Thursday, the 28th September, 2000 (both days inclusive).
3. 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.
4. 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 & MANAGING DIRECTOR

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

Dated: 18th August, 2000

Indian Extractions Limited

DIRECTORS' REPORT

To,

The Members,

INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 44th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2000.

FINANCIAL RESULTS:

	Rs.	Current Year Rs.	Previous Year Rs.
(Loss)/Profit for the year before providing for Depreciation and taxation and Extraordinary item		(99,96,976)	73,61,510
Less : Depreciation	42,34,655		51,74,683
Provision for Taxation	27,000		2,60,000
		42,61,655	54,34,683
(Loss)/Profit before Extraordinary item		(1,42,58,631)	19,26,827
Extraordinary item:			
Profit on sale of Chemical Division		9,48,184	—
(Loss)/Profit after tax		(1,33,10,447)	19,26,827
Add : Profit brought forward from previous year		1,75,08,286	1,81,67,643
		41,97,839	2,00,94,470
Add/(Less): Income tax adjustment in respect of earlier year		(56,288)	7,157
Amount available for appropriation		41,41,551	2,01,01,627
APPROPRIATION :			
Proposed Dividend		—	23,36,343
Tax on Dividend		—	2,56,998
Transferred to General Reserve		—	—
Balance carried to Balance Sheet		41,41,551	1,75,08,286
		41,41,551	2,01,01,627

DIVIDEND:

Your Directors do not recommend declaration of any dividend for the year ended 31st March, 2000 in view of the loss borne by your Company.

OPERATIONS:

During the year under review your Company has achieved a turnover of Rs.38.23 Crores compared to Rs.45.98 Crores in the previous year.

At Extraction Division, Jamnagar the Company has processed 45,842 tons of Oilcakes/Seeds against 62,521 tons in the previous year. The non-availability of groundnut crop on account of deficiency in rainfall coupled with the adverse tariff structure which resulted in heavy imports of oils, particularly palm oil which depressed the overall oil market in the country. This affected the operations of your Company. These factors also caused a setback for solvent extraction industry as a whole.



At Chemical Division, Vapi the Company has produced 176 tons of Dyes Intermediates against 125 tons in the previous year. The chemical industry continues to be in a recessionary condition. There being an excess capacity in the industry resulted in shrinking of margins. Hence keeping a long term view the company decided to sell the Chemical Division and concentrate in its core competence business and has sold off the assets of the Chemical Division situated at Vapi. The profit on sale of assets of Rs.9,48,184/- of Chemical Division is reflected as extraordinary item in the Profit & Loss Account.

Loss during the year is Rs.133.10 lacs. Profit after tax in the previous year was Rs.19.27 lacs.

DIRECTORATE:

Shri Atulya Y. Mafatlal and Shri Asit D. Javeri retires 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 I 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 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.

Y2K COMPLIANCE:

The Company has completed a successful roll over to Y2K.

DEPOSITS:

There were no overdue deposits out of the outstanding amount of Rs.78,33,000/- 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:

There are no qualifications by the Auditor's 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: 18th August, 2000

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, 2000

Sl. No.	Name of the Employee	Age in years	Designation/ Nature of Duties	Remuneration Received Rupees	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.6,00,000/-.								
1.	Shri S. B. Jhaveri	78	Chairman and Managing Director	736982	B.A. (With Economics)	44	06.02.1956	Nanavati & Co. Pvt. Ltd. Sales Executive / 4 yrs.
2.	Shri P. S. Jhaveri	45	Joint Managing Director	603766	B.Com.	23	01.01.1977	—
3.	Shri A. L. Sehgal	67	President	670727	B.Sc. Diploma in Oil Technology (Mumbai)	43	23.12.1957	Bhavnagar Chemical Works Chief Chemist / 2 yrs.

- Notes:
1. The nature of employment in all cases is contractual.
 2. Remunerations 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.50,000/- per month.
 4. Shri S.B. Jhaveri and Shri P. S. Jhaveri who are the Directors of the company are related to each other.

For and on Behalf of the Board

S. B. Jhaveri
(Chairman & Managing Director)

MUMBAI
DATED : 18th August, 2000



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 :

			Current Year	Previous Year
1. Electricity :				
Purchased & Consumed	- Unit		1415061	1534019
	- Total Amount	Rs.	65,01,026	65,16,087
	- Rate/Unit	Rs.	4.59	4.25
2. Coal (Lignite) :	- Tonnes		354	166
	- Total Amount	Rs.	3,85,613	1,38,662
	- Average Rate	Rs.	1089.30	835.31
3. Furnace Oil :	- Litres		110800	90700
	- Total Amount	Rs.	8,97,798	7,68,704
	- Average Rate	Rs.	8.10	8.47
4. Others :				
1. Groundnut Husk	- Tonnes		4859	6646
	- Total Amount	Rs.	34,32,994	32,78,689
	- Average Rate	Rs.	706.52	493.33
2. Diesel	- Litres		42975	57970
	- Total Amount	Rs.	5,56,767	6,42,805
	- Average Rate	Rs.	12.96	11.08

B. CONSUMPTION PER UNIT OF PRODUCTION :

Per tonne of oilcakes/seeds Processed :

Electricity	- Unit	25.13	20.82
Fuel : Coal - Lignite	- kgs.	8	3
G.N Husk	- kgs.	106	106
Diesel	- Litre	1	1

Per Kilo of Dyes Intermediates :

Electricity	- Unit	1.48	1.86
Furnace Oil	- Litre	0.63	0.72

Indian Extractions Limited

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 1994 making it versatile to process soyabeans besides Groundnut and Rapeseed oilcakes. It also installed fluidised bed boiler in 1995.

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 Golden Status 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.	1,90,81,243	12,94,04,574
Foreign Exchange Used	Rs.	11,11,782	14,79,833



For and on Behalf of the Board

S. B. JHAVERI
(Chairman & Managing Director)

MUMBAI :

Dated : 18th August, 2000



REPORT OF THE AUDITORS' TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of INDIAN EXTRACTIONS LIMITED as at 31st March, 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 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 and Profit and Loss Account dealt with by this Report are in agreement with the above books of account;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000 and
 - (ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

FOR **C. C. CHOKSHI & CO.**
Chartered Accountants

A. SIDDHARTH
Partner

MUMBAI
DATED : 18th August, 2000