



INDIAN EXTRACTIONS LIMITED

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45TH ANNUAL REPORT

2000 - 2001

Indian Extractions Limited

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Indian Extractions Limited



DIRECTORS

SHRI SHANTILAL B. JHAVERI
Chairman and Managing Director

SHRI PRIYAM S. JHAVERI
Joint Managing Director

SHRI ANAND R. DALAL

SHRI ASIT D. JHAVERI

SHRI. SURESH K. MUNDRA

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

NOTICE

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of **INDIAN EXTRACTIONS LIMITED** will be held on **THURSDAY the 27th SEPTEMBER, 2001** at 4.00 p.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce and Industry, Oricon 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, 2001 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. Anand R. Dalal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Mr. Suresh K. Mundra as Director.
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 Thursday, the 20th September, 2001 to Thursday, the 27th September, 2001 (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 should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Company's Registered Office.
6. Shareholders/Investors are hereby informed that after the amendment of the Companies Act, 1956 w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in Share Application Refund Account and the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Refund Account/Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") to be established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.
7. 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.

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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: 23rd August, 2001



**Details of the Directors seeking appointment/re-appointment at the
forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Anand R. Dalal	Mr. Suresh K. Mundra
Date of Birth	21-11-1955	29-05-1952
Expertise in specific Functional areas	Engineering and Construction	Company Management
Qualifications	B. A. (Economics)-University of Bombay M.M.S. (Management Science) University of California & Los Angeles	B Tech Chem Eng. Mumbai in 1974 M.B.A. Ahmedabad 1976
List of Public Companies in which outside/ Directorship held as on 31st March, 2001	Dalal Consultants & Engineers Limited Coen Bharat Limited	Allied Photographics India Limited
Chairman/Member of the Board of the Public Companies on which he is a Director as on 31st March, 2001	None	None

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Indian Extractions Limited

DIRECTORS' REPORT

To,

The Members,

INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 45th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2001.

FINANCIAL RESULTS:

	Rs.	Current Year Rs.	Previous Year Rs.
(Loss)/Profit for the year before providing for Depreciation, taxation and Extraordinary item		(62,58,489)	(99,96,976)
Less: Depreciation	29,14,010		42,34,655
Provision for Taxation	27,000		27,000
		29,41,010	42,61,655
(Loss)/Profit before Extraordinary item		(91,99,499)	(1,42,58,631)
Extraordinary item:			
Profit on sale of Chemical Division		--	9,48,184
(Loss)/Profit after tax		(91,99,499)	(1,33,10,447)
Add: Profit brought forward from Previous year		41,41,551	1,75,08,286
		(50,57,948)	41,97,839
Add(Less): Income tax adjustment in respect of earlier year		1,47,631	(56,288)
Amount available for appropriation		(49,10,317)	41,41,551
APPROPRIATION:			
Balance carried to Balance Sheet		(49,10,317)	41,41,551
		(49,10,317)	41,41,551

DIVIDEND:

Your Directors do not recommend declaration of any dividend for the year ended 31st March, 2001 in view of the loss borne by your Company.

OPERATIONS:

During the year under review your Company has achieved a turnover of Rs.34.24 Crores compared to Rs.38.23 Crores in the previous year.

The Company has processed 26,386 tons of Oilcakes/Seeds against 45,842 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. In addition to the above, the Gujarat Earthquake on 26th January, 2001 severely damaged the chimney which had resulted in



curtailment of operations. The new chimney has since been installed and normalcy had been restored from 21st April, 2001. These above factors also caused a setback for the solvent extraction industry as a whole.

The Company has been evolving various strategies to curtail losses on account of the above factors. The Company has ventured into trading of De-oiled cakes. Your Company being in the solvent extraction industry has rich experience and has developed the goodwill and the Directors are confident that this line of business can make a significant contribution to the profits of the Company. This has resulted in reducing the losses in the year. Moreover the Directors are also evolving measures to control costs.

In the current year, there has been a good rainfall and the groundnut crop is expected to be in line with the normal harvest. Under the circumstances, your Company is in a better position to capitalise on these various favourable factors.

DIRECTORATE:

Shri Anand R. Dalal retires at the ensuing Annual General Meeting. Being eligible, offers himself, for reappointment as Director. Your Directors recommend his reappointment.

Shri Suresh K. Mundra was appointed as Additional Director of the Company with effect from 31st July, 2001. By virtue of Article 139 of the Articles of Association and Section 260 of The Companies Act, 1956. Shri Suresh K. Mundra holds office upto the date of the Annual General Meeting and is eligible for appointment. Your Directors recommend his appointment.

Shri Atulya Y. Mafatlal and Shri Pinakin K. Patel resigned as Directors during the year. Your Directors wish to place on record their appreciation for the valuable contribution made by them during their tenure.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the Company is in the process of implementation of various measures of Corporate Governance. As per the schedule of implementation, the Company has to comply with the same within Financial Year 2002-2003.

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 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.

DEPOSITS:

There were no overdue deposits out of the outstanding amount of Rs.97,44,000/- 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.

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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: 23rd August, 2001

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ANNEXURE 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		847057	1415061
	Total Amount	Rs.	4447401	6501026
	Rate/Unit	Rs.	5.25	4.59
2. Coal (Lignite) :	Tonnes		333	354
	Total Amount	Rs.	364755	385613
	Average Rate	Rs.	1095.69	1089.30
3. Furnace Oil :	Litres		-	110800
	Total Amount	Rs.	-	897798
	Average Rate	Rs.	-	8.10
4. Others :				
1. Groundnut Husk	Tonnes		2436	4859
	Total Amount	Rs.	2036281	3432994
	Average Rate	Rs.	836.04	706.52
2. Diesel	Litres		35400	42975
	Total Amount	Rs.	641024	556767
	Average Rate	Rs.	18.11	12.96

B. CONSUMPTION PER UNIT OF PRODUCTION :

Per tonne of oilcakes/seeds Processed :

Electricity	-	Unit	32.10	25.13
Fuel : Coal - Lignite	-	Kgs.	12.62	8
G. N. Husk	-	Kgs.	92.31	106
Diesel	-	Litre	1.34	1

Per Kilo of Dyes Intermediates :

Electricity	-	Unit	-	1.48
Furnace Oil	-	Litre	-	0.63

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.

Indian Extractions Limited

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.	31548003	19081243
Foreign Exchange Used	Rs.	8161753	4383890

For and on Behalf of the Board

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR

MUMBAI.

DATED : 23rd August, 2001

