



INDIAN EXTRACTIONS LIMITED

46TH ANNUAL REPORT

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2001 - 2002

Indian Extractions Limited

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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 SURESH K. MUNDRA
AUDITORS	:	M/S. C. C. CHOKSHI & CO. Chartered Accountants
BANKERS	:	UNION BANK OF INDIA STATE BANK OF INDIA ANDHRA BANK COMMERCIAL CO-OP. BANK LTD. STATE BANK OF BIKANER & JAIPUR ICICI BANK LTD. 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 46th Annual General Meeting of **INDIAN EXTRactions LIMITED** will be held on **THURSDAY the 19TH SEPTEMBER, 2002** at 4.00 p.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce and Industry, 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, 2002 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. Asit D. Javeri, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. 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, 2002, being not liable to retire by rotation, as 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, 2002, 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 initialled 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 closed from Thursday, the 12th September, 2002 to Thursday, the 19th September, 2002 (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. 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 205 A 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 for a period of seven years from the date of transfer to Refund 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 31st March, 1996 to 31st March, 1999 are requested to make their claims to the Company accordingly, without any delay.
8. 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.

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

Dated: 28th June, 2002

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

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR



ANNEXURE TO THE NOTICE

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

ITEM NO. 4

The Board of Directors have at their Meeting held on 30th January, 2002 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, 2002. 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 of 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, 2002
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. 1,25,000/- 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 including perquisites, privileges and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company.
Your Directors recommend the Resolution for your approval. Except for Mr. S. B. Jhaveri and Mr. P. S. Jhaveri, none of the Directors are interested in the Resolution.

This Explanatory Statement together with Resolution under serial No. 4 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 12th September, 2002 to 19th September, 2002 on any working day.

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 : 28th June, 2002

Indian Extractions Limited

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. Asit D. Javeri
Date of Birth	: 25-06-1956
Expertise in specific Functional areas	: Mr. Asit D. Javeri has over 22 years of rich experience in chemical industry. He has also been associated and has experience of managing engineering and consultancy company. Since last over 17 years he has been Managing Director of Sadhana Nitro Chem Limited. He has expertise in international marketing and managing efficiently the overall operation of chemical manufacturing company.
Qualifications	: B.Sc. (Hon.)
List of Public Companies in which outside/ Directorship held as on 31st March, 2002	: Sadhana Nitro Chem Limited Indian Extractions Limited Phthalo Colours & Chemicals (I) Limited
Chairman/Member of the Board of the Public Companies on which he is a Director as on 31st March, 2002	: None

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DIRECTORS' REPORT

To,

The Members,

INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 46th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2002.

FINANCIAL RESULTS:

	Rs.	Current Year Rs.	Previous Year Rs.
Profit/(Loss) for the year before providing for Depreciation		1,75,13,962	(62,58,489)
Less: Depreciation		30,86,060	29,14,010
Profit/(Loss) after Depreciation		1,44,27,902	(91,72,499)
Less : Provision for Taxation - Current	9,84,000		27,000
Deferred	52,15,227		—
		61,99,227	27,000
Profit/(Loss) after Tax		82,28,675	(91,99,499)
Less/Add: (Loss)/Profit brought forward from previous year		(49,10,317)	41,41,551
		33,18,358	(50,57,948)
Less/Add : Income Tax adjustment in respect of earlier year		(6,278)	1,47,631
Balance carried to Balance Sheet		33,12,080	(49,10,317)

DIVIDEND:

In order to conserve resources, your Directors do not recommend declaration of any dividend for the year ended 31st March, 2002.

OPERATIONS:

During the year under review your Company has achieved a turnover of Rs.61.56 Crores compared to Rs.34.24 Crores in the previous year.

The Company has processed 59,330 tons of Oilcakes/Seeds against 26,386 tons in the previous year.

On account of the adequate groundnut crop the company was able to utilise the capacity to the extent of 66% as compared to 29% in the previous year. Your Company continues to maintain its lead position in export of Groundnut Deoiled cakes. Export during the year have increased from 3.15 crores to 20.10 Crores. This has resulted in economies of scale and your Company has been able to earn profits.

In the current year Groundnut Crop with adequate rainfall should be normal and your Directors are of the opinion that better utilisation of capacity can be expected with satisfactory results.

DIRECTORATE:

Shri Asit D. Javeri retires at the ensuing Annual General Meeting. Being eligible, offers himself, for reappointment as Director. Your Directors recommend his reappointment.

Indian Extractions Limited

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.91,04,000/- 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 profit 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.

ACKNOWLEDGMENT:

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: 28th June, 2002



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 here under:

A. POWER & FUEL CONSUMPTION:

				Current Year	Previous Year
1 Electricity :					
Purchased & Consumed	Unit			15,07,615	8,47,057
	Total Amount	Rs.		75,88,637	44,47,401
	Rate/Unit	Rs.		5.03	5.25
2. Coal (Lignite) :	Tonnes			—	333
	Total Amount	Rs.		—	3,64,755
	Average Rate	Rs.		—	1,095.69
3. Others :					
1. Groundnut Husk	Tonnes			4,736	2,436
	Total Amount	Rs.		23,98,540	20,36,281
	Average Rate	Rs.		506.45	836.04
2. Diesel	Litres			62,400	35,400
	Total Amount	Rs.		12,26,605	6,41,024
	Average Rate	Rs.		19.66	18.11

B. CONSUMPTION PER UNIT OF PRODUCTION :

Per tonne of oilcakes/seeds Processed :

Electricity	Unit	25.41	32.10
Fuel : Coal – Lignite	Kgs.	—	12.62
G. N. Husk	Kgs.	79.82	92.31
Diesel	Litre	1.05	1.34

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:

		Current Year	Previous Year
Foreign Exchange Earned	Rs.	20,09,62,902	3,15,48,003
Foreign Exchange Used	Rs.	5,66,987	81,61,753

For and on behalf of the Board

Place: Mumbai

Dated: 28th June, 2002

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR