



## **INDIAN EXTRACTIONS LIMITED**

### **56Th ANNUAL REPORT 2011 - 2012**

## Contents

Notice.....	2
Director's Report.....	14
Auditor's Report.....	39
Balance Sheet.....	45
Profit & Loss Account.....	46
Cash Flow Statement.....	47
Notes.....	48

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. JAVERI

SHRI AMIT B. SHAH

SHRI ANKUR M. MANECK

COMPANY SECRETARY

SHIVANGI DAVE

AUDITORS

M/s. THINGA & CONTRACTOR  
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.

REGISTERED OFFICE

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

FACTORY

PANDIT NEHRU MARG,  
JAMNAGAR - 361 002.



NOTICE

NOTICE is hereby given that the **Fifty-Sixth Annual General Meeting** of **INDIAN EXTRACTIONS LIMITED** will be held on **Monday, 24<sup>th</sup> September, 2012, at 3.45 p.m.**, at **M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Fort, 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, 2012.
2. To appoint a Director in place of Shri Asit Javeri Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Amit Shah, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration.

**SPECIAL BUSSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shantilal B. Jhaveri as the Managing Director of the Company for the period of 5 years (Five years) with effect from 1<sup>st</sup> April, 2012 on the terms and conditions including remuneration as recommended by the remuneration committee and also approved by the Board in their meeting held on 14<sup>th</sup> February, 2012 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Shantilal B. Jhaveri, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the remuneration committee or other committee as duly constituted by the Board of Directors) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement subject to same



not exceeding the limits specified in the Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendment thereto as may be agreed to between the Board and Shri Shantilal B. Jhaveri."

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year, the aforesaid remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII shall be payable to Shri Shantilal B. Jhaveri as a minimum remuneration."

"FURTHER RESOLVED THAT the board be and is hereby authorized to take all such steps as may be necessary, proper, required or expedient to give effect to this 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 the Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September 2012 to 24<sup>th</sup> September 2012 (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. 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.
8. 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.
9. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.
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**

6<sup>th</sup> August 2012, Mumbai

**Shivangi Dave  
Company Secretary**



## ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

## 1. Resolution No.5

The agreement between the Company and Shri Shantilal B. Jhaveri appointing him as the Managing Director of the Company ended on 31<sup>st</sup> March, 2012. Accordingly, on the Recommendation of the remuneration committee and subject to approval of the Members, the Board of Directors of the Company have reappointed Shri Shantilal B. Jhaveri as the Managing Director of the company with effective from 1<sup>st</sup> April, 2012 for a further period of 5 ( Five ) years.

Shri Shantilal B. Jhaveri, aged 90 years is B. A. with Economics. He is having rich experience in the areas of oil extraction, chemical industry, solvent oil extraction industry, commodity trading, health care, education and philanthropic activities. He is the key promoter of the company and associated with the company since its incorporation. Considering the exceptional contribution made by him in the company's achievements along with present level of business operation together with future growth plans of the company it is in the interest of the company to reappoint him as the Managing Director for a future period of 5 ( Five ) years with effect from 1<sup>st</sup> April, 2012.

After considering the qualification, experience, expertise, achievements and contribution made by Shri Shantilal B. Jhaveri in the growth and development of the company together with expanding the business operations of the Company at it's present level and also on recommendation of remuneration committee, the board of directors have reappointed him as the Managing Director of the company for a further period of 5 years with effective from 1<sup>st</sup> April, 2012.

Subject to approval from the members, it is proposed to reappoint Shri Shantilal B. Jhaveri as the Managing Director of the company effective from 1<sup>st</sup> April, 2012 and to pay the following remuneration within the overall limits specified in the Schedule XIII of the Companies Act, 1956, to Shri Shantilal B. Jhaveri which is commensurate with the scale of the company's business and his responsibility to head the company.



**Remuneration**

**1. Salary:**

Gross consolidated salary upto Rs. 1,00,000/- per month. The gross consolidated salary shall include basic, medical allowance, leave travel allowance, bonus, HRA and such other allowances as may be approved from time to time by the board of directors in accordance with the rules of the company. The same shall be divided in different heads and paid monthly, quarterly or annually in accordance with the rules of the Company and as the Board may deem fit and decide mutually with him. An increment upto 15% per annum shall be given annually during the tenure of agreement.

**2. Commission:**

Such percentage of the net profits of the company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each financial year or part thereof within the overall ceiling of 5 % of the net profit of the company.

**3. Perquisites:**

- a. company's contribution to provident and superannuation funds.
- b. gratuity at the rate of half month's salary for each completed year of service.
- c. leave with the full pay as per the rules of the company encashment of unavailed leave being allowed at the end of the tenure.
- d. free furnished accommodation or house rent allowance upto 60% of the salary and company's furniture on rental basis as may be approved by the board of directors.
- e. reimbursement of gas, electricity, water charges, furnishings, maintenance / repairs of residential accommodation and furniture.
- f. reimbursement of the entertainment expenses incurred in the course of business of the company.
- g. reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family, whether incurred in India or abroad, and in case of medical treatment abroad the air fare, boarding, lodging for patient and attendant.
- h. reimbursement of actual traveling expenses for proceeding on leave to any place and return there from in respect of self and family in accordance with the rules specified by the company from time to time.



- i. reimbursement of membership fee for clubs in India or abroad including any admission / life membership fee.
- j. personal accident insurance policy in accordance with the rules specified by the company from time to time.
- k. cost of insurance cover against risk of any financial liability or loss because of any error of judgment as may be approved by the board of directors from time to time.
- l. free use of company 's car for company 's work as well as for personal purposes along with driver .
- m. telephone, telefax and other communication facility at the residence.
- n. subject to statutory ceilings the managing director may be given any other allowances , perquisites , benefits and facilities as the board of directors from time to time may decide.

However, the total perquisites value is subject to a maximum ceiling of 50% of annual consolidated salary.

The following shall not be included in the computation of perquisites for the purpose of the ceiling:

- a. contribution to provident and superannuation funds referred to in paragraph 3(a) above.
- b. gratuity payable as per paragraph 3(b) above to the extent of half month 's salary for each completed year of service.
- c. encashment of leave at the end of tenure as per paragraph 3(c) above.
- d. provision of company 's car for official duties.
- e. free telephone and other communication facility at the residence.

Perquisites/ allowances shall be valued as per income tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual costs.

In the absence or inadequacy of profits in any financial year, the aforesaid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in schedule XIII shall be payable to Shri Shantilal B. Jhaveri, as a minimum remuneration .

The terms and conditions of said reappointed and / or remuneration and/or agreement, may be altered and varied from time to time by the board as it may, in its discretion, deem fit within the maximum amount payable to Shri Shantilal B. Jhaveri in accordance with the provision of the companies act, 1956, or any amendments made therein or with the approval of Central Government, if required.



The agreement may be terminated by either party by giving the other party six months notice or by any shorter notice as may be mutually agreed to between the parties.

The directors recommend passing of the resolution contained in item no. 5 of the accompanying notice.

Except Shri Shantilal B. Jhaveri and Shri Priyam S. Jhaveri, who is his relative, no other Director is concerned or interested in the resolution.

A copy of the draft agreement to be entered into between the Company and Shri Shantilal B. Jhaveri will be open for inspection by the members at the registered office of the company between 3.00 p.m to 5.00 p.m on any working day of the Company except Saturday, Sunday and holiday's up to and including the date of Annual General Meeting.

This shall be deemed to be an abstract of the terms and conditions of appointment of Shri Shantilal B. Jhaveri under section 302 of the Companies Act, 1956 and the memorandum of interest in that behalf.

The board recommends the Special Resolution at Item no.5 of the notice for your approval.