



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
AUDITORS	:	M/S. DELOITTE HASKINS & SELLS 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. STATE BANK OF SAURASHTRA
REGISTERED OFFICE	:	NANAVATI MAHALAYA, 18, HOMI MODI STREET, FORT, MUMBAI 400 001.
FACTORY	:	PANDIT NEHRU MARG, JAMNAGAR - 361 002.

INDIAN EXTRACTIONS LIMITED

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Fifty-fourth Annual General Meeting of INDIAN EXTRACTIONS LIMITED will be held on Thursday the 23RD SEPTEMBER, 2010 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), 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 31st March, 2010.
2. To appoint a Director in place of Mr. Asti D. Javeri, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Amit B. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and 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 16th September, 2010 to Thursday, the 23rd September, 2010 (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. Consequent upon amendment to Section 205A 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 and unclaimed dividend for the financial year ended 31st March 1995, 31st March, 1996, 31st March, 1997, 31st March, 1998 and 31st March, 1999 for a period of seven years from the date of transfer to separate 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, 2003 are requested to make their claims to the Company accordingly, without any delay.

8. 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.
9. 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.
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

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
"Nanavati Mahalaya"
18, Homi Modi Street,
Fort, Mumbai - 400 001.

Dated: 29th May, 2010

INDIAN EXTRACTIONS LIMITED

DIRECTORS' REPORT

To,
The Members,
INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 54th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS :

	Current Year Rs.	Previous Year Rs.
(Loss) for the year before providing for Depreciation and Interest	(21,09,678)	37,06,305
Interest	(2,17,67,340)	(1,46,58,929)
Less: Depreciation	(67,88,758)	(47,81,660)
(Loss) after Depreciation	(3,06,65,776)	(1,57,34,284)
Provision for Taxation - Wealth	(9,249)	29,903
Deferred	--	24,35,077
Fringe Benefit Tax	--	(3,60,000)
	(3,06,75,025)	(20,45,174)
(Loss) after Tax	--	(1,36,89,110)
(Short) Provision for taxes in respect of earlier years	--	--
	(3,06,75,025)	(1,36,89,110)
Less/Add: (Loss)/ Profit brought forward from previous year	(1,83,88,396)	(46,99,286)
Amount available for appropriation	(4,90,63,421)	(1,83,88,396)
APPROPRIATION:		
General Reserve deducted per contra	--	--
Adjustment for provision of gratuity net of deferred taxes	--	--
Balance carried to Balance Sheet	(4,90,63,421)	(1,83,88,396)
	(4,90,63,421)	(1,83,88,396)
DIVIDEND :		

Your Directors do not recommend declaration of any dividend for the year ended 31st March, 2010 in view of the loss borne by your Company.



OPERATIONS :

The year under review has witnessed many challenges and difficulties for the operations of the Company because of various factors, broadly summarized as under:-

1. The Solvent Extractions Plant operations were adversely affected due to large disparity in processing of seeds and oilcakes, which has practically resulted in negligible exports of Deoiled Cake Meal.
2. Bumper crops in USA, Brazil and Argentina has resulted in surplus production of Soya Seeds in international market, which in turn has lowered all types of the Deoiled Cakes prices in overseas market coupled with massive surplus production, resulting in non-viable pricing for exports from India.
3. Heavy import of refined edible oil and raw edible oil with nil import duty in the domestic market, resulted unremunerative operations for solvent extraction industry.
4. Shortages in domestic market particularly of groundnuts because of un-even pattern of monsoon and climatic changes has adversely affected the core activity of the company of the groundnut oil extraction.

All the above factors resulting in very low capacity utilization and thereby increased cost of operations has resulted in negative margin for the solvent extraction business operations.

The Company was able to process only 24789 MT. of Solvent Extractions against 36253 MT. in the previous year.

As informed in the earlier Directors' Report, fortunately the multi product oil refinery has been commissioned in May, 2009 with trial runs and the functioning of the refinery has been stabilized successfully during the last quarter.

The refinery was installed with a view to increase and diversify the business strength in the edible oil market by capitalizing on the Company's reputed and established brand "DIAMOND".

The Company has successfully entered into the market with Refined Cotton Seed Oil and Refined Soya Oil, besides the traditional solvent extracted groundnut oil and refined groundnut expeller oil.

The stabilization and consistent operations of refinery will broaden the business operations of the company and reduce the dependence of solvent extractions operations over a period.

In addition, the company has diversified its business operations by entering into a trading activity in the chemicals and commodities, which has also supported operations of the company.

During the year, the Company has refined 4543 MT of different edible oils as compared to 2417 MT in the previous year, resulting in almost doubling the quantity.

Due to refinery activity and trading activity, the company has achieved a turnover of Rs. 80.40 Crore as against Rs. 69.86 Crore in the previous year, thereby registering a growth of 15% in spite of very low solvent extraction business.

The Company has incurred loss before interest and depreciation of Rs. 21.10 lacs as profit against for previous year of Rs. 37.06 lacs. The fall is mainly because of lower refinery utilization upto December, 2009 as well as minimum operation of solvent extractions plant due to adverse market factors as mentioned above.

The loss for the year is recorded at Rs.306.75 lacs as against Rs. 136.89 lacs for the previous year. The loss was higher because of higher interest and financial charges of Rs. 217.80 lacs as against Rs. 146.58 lacs on account of Term Loan interest on the newly commenced refinery besides higher utilization of working capital limits due to liquidity constrain.

PROSPECTS :

The operations of the new refinery has been stabilized and the company has successfully captured a significant share in the local Refined Cotton Oil market in the Jamnagar district. The company is in the process of introducing different edible oil like Soya, Rapeseed, Palm etc. in the market as well in a phased manner under its established brand name with a view to broaden product mix and also for better margins. The full focus is on producing, marketing, distributing and selling Refined Edible Oils which will facilitate the Company to hedge its existing business of solvent extractions. In addition, the company has also started trading activity and is exploring new possibility for trading into commodities and chemicals.

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Also forecast for satisfactory monsoon will benefit the company due to possibility of higher availability of oil seed crop in to optimize a coming season which in then facilitate solvent extractions plant.

The management has also implemented various cost cutting, control and saving measure, which will benefit the company in a long run. Further, the bank has approved reduction of interest, a concession given as per Agro processing unit scheme introduced in September 2009 which will benefit by way of saving significantly the finance cost. The Company is also discussing for reorganization of it's banking facilities for cost reduction and improvement in liquidity.

Also with a view to improve the liquidity, the company has activated the process for sale of its vacant surplus land adm. 70000 Sq. Ft. to Mr. Priyam S. Jhaveri - Jt. Managing Director and Promoter in terms of approval of its Board of Directors and the proceeds of the same will be deployed to improve the liquidity position of the company for better business operations.

Considering the long standing experience of the Promoters and Management in the Solvent Extractions and Edible Oil Industry together with various measures taken by them, the Board of Directors bearing unforeseen circumstances are confident to improve business operations and performance of the company in years to come.

DIRECTORATE :

Shri Asit D. Javeri and Shri Amit B. Shah retire at the ensuing Annual General Meeting. Being eligible, offer themselves, for reappointment as Directors. Your Directors recommend their reappointment.

CORPORATE GOVERNANCE :

The information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is given in Annexure-I forming part of this report.

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-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.

DEPOSITS:

There were no overdue Fixed Deposits out of the outstanding amount of Rs.1,12,15,000/- 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.

EXPLANATION ON AUDITORS REPORT

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

With regards to qualification in the auditors report, the board of directors would like to comment that the Company has entered into a definite contract for sale of special quality of groundnut extraction with various parties. Due to various factors the parties had requested the Company for taking deliveries of the goods under said contract on a piecemeal basis over a period of time. Since the significant amount of contract value has been already received and the parties have confirmed to lift material in due course and material is ready for delivery with the company but was held as stock on the specific request of respective parties, the management is of the view that there is no uncertainty is involved in such transactions and accordingly has valued the specific quality of groundnut extraction stock under said contract at realizable market value which is not in accordance with Accounting Standard 2 " Valuation of Inventories". However, considering the nature of transaction, definite sales contract and factual position the management and the board of directors is of the opinion to value such stock at a fair realizable market value for proper presentation of the financial statement for the year ended on 31st March 2010.

AUDITORS :

The terms of Office of present auditor Deloitte Haskins & Seller are upto ensuing Annual General Meeting of the Company, vide their letter dated May 28, 2010 they have expressed their unwillingness to be reappointed at the ensuing annual General Meeting. The Board of Directors of the company has received notice form one of the member requesting for appointment M/s. Thingna & Contractor, Chartered Accountants as statutory auditors of the Company. The board recommends and propose the appoint M/s. Thingna & Contractor, Chartered Accounts as statutory auditors of the Company.

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: 29th May, 2010

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ANNEXURE - I TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Indian Extractions Limited believes that Corporate Governance is not an end in itself but is a catalyst in the process towards maximisation of shareholder value. Therefore, shareholder value as an objective is woven into all aspects of Corporate Governance the underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices.

Corporate Governance deals with conducting affairs of a Company to maximise shareholders value, such that

- Trust is built around that enterprise is managed adequately and efficiently in its chosen business;
- There is openness, integrity and accountability in the dealings of the Company to the extent, possible;
- There is fairness to its shareholders;
- There is adequate supervision of its business activities.

BOARD OF DIRECTORS:

Composition of the Board and Directorship held in other Companies as on 31st March, 2010

Sr. No.	Name of the Director(s)	Executive/Non-Executive/Independent	No. of outside Directorship in other Limited Companies (including Private Limited Companies)	No. of other outside Committees positions held	
				Chairman	Member
1	Mr. Shantilal B. Jhaveri	Promoter, Executive-Chairman & Managing Director	6	-	-
2	Mr. Priyam S. Jhaveri	Promoter, Executive-Joint Managing Director	13	1	2
3	Mr. Asit D. Javeri	Non-Executive, Independent	8*	-	5
4	Mr. Anand R. Dalal	Non-Executive, Independent	3	-	-
5	Mr. Amit B. Shah	Non-Executive, Independent	4	-	-
6	Mr. Ankur M. Maneck	Non-Executive, Independent	2	-	-

* including Foreign Company

Attendance record of the Directors:

During the Financial year 2008-2009, Meetings of Board of Directors were held on the following days:- 2nd April, 2009, 29th June, 2009, 31st July, 2009, 23rd September, 2009, 28th October, 2009, 28th January, 2010 and 12th March, 2010

Annual General Meeting was held on 23rd September, 2009.

The Attendance of Directors at the Board Meetings and Annual General Meeting were as under:

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attended	
Mr. Shantilal B. Jhaveri	7	7	Yes
Mr. Priyam S. Jhaveri	7	6	Yes
Mr. Asit D. Javeri	7	6	Yes
Mr. Anand R. Dalal	7	7	Yes
Mr. Amit B. Shah	7	7	Yes
Mr. Ankur M. Maneck	7	7	Yes



Agenda for each Board Meeting were sent along with notes on agenda items about a week in advance to the Board Members. Matters discussed at these Board Meetings related to among others, review of annual plan, quarterly results of the Company, minutes of meetings of audit committee, observations of the Audit Committee, Statutory compliances by the Company, review oth business, sale and purchase of investments and/or Property etc.

Code of Conduct for Board Members and Senior Management :

A declaration regarding compliance by the Board, of Code of Conduct is separately annexed to this Report.

As there is no website of the Company at present, the said Code of Conduct is not displayed on the Web.

AUDIT COMMITTEE :

As required u/s.292A of the Companies Act, 1956 read with provision of Clause 49 of the Listing Agreement with the Stock Exchange, the Board has constituted Audit Committee which consists of the following Directors:

Mr. Asit D. Javeri	Chairman	Non-Executive, Independent
Mr. Anand R. Dalal	Member	Non-Executive, Independent
Mr. Amit B. Shah	Member	Non-Executive, Independent
Mr. Ankur M. Maneck	Member	Non-Executive, Independent

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the **terms of reference** as specified herein as under:

The Role of the Audit Committee shall be as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with Listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussions with internal auditors any significant findings and follow up thereon.

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9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Mr. A. L. Sehgal, the President and representatives of the firms of Statutory Auditor and Internal Auditor, have been permanent invitees to the Audit Committee Meetings. Mr. Mihir Shah and Mr. P. M. Purohit, Internal Auditors, attended most of the meetings of the Audit Committee.

During the year, the Audit Committee, in its meetings, discussed among other things, the following:

- Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.
- Discussed with the management and the internal and statutory auditors findings in the internal audit reports.
- Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee, has briefed the Board of Directors, about the Audit Committees observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

All the suggestions / recommendations of the Audit Committee during the financial year 2008-09, have been accepted by the Board of Directors.

The Financial decisions of the Company is taken by the Chairman and Managing Director, Mr. Shantilal B. Jhaveri at the Board of Directors Meeting.

The attendance record of each member of the Audit Committee at the Meetings held on 2/4/2009, 29/6/2009, 31/7/2009, 28/10/2009, 28/1/2010 and 12/03/2010 are as follows:

Name	Date of Appointment	Non-Executive/Independent	Numbers of Meetings	
			Held	Attended
Mr. Asit D. Javeri	19-09-2002	Non-Executive, Independent	6	5
Mr. Anand R. Dalal	19-09-2002	Non-Executive, Independent	6	6
Mr. Amit B. Shah	27-01-2003	Non-Executive, Independent	6	6
Mr. Ankur M. Maneck	27-01-2003	Non-Executive, Independent	6	6

No sitting fees have been paid to the Members of the Audit Committee.



The previous Annual General Meeting was held on 23rd September, 2009 and it was attended by Mr. Asit D. Javeri, Chairman of the Audit Committee.

The Company has advertised in the Newspapers for recruitment of qualified Company Secretary. However, the Company has not been able to find a suitable candidate for the same. In view of this there is no Company Secretary throughout the year and as such there is no secretary to the Audit Committee Meeting.

RISK MANAGEMENT :

The Board takes responsibility for the total process of risk management in the organization. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

SHAREHOLDERS/INVESTORS GRIEVANCES :

The Shareholders/Investors Grievance Committee consists the following Directors:

Mr. Asit D. Javeri	-	Chairman
Mr. Anand R. Dalal	-	Member
Mr. Amit B. Shah	-	Member
Mr. Ankur M. Maneck	-	Member

Terms of Reference

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from practising Company Secretary under Clause 47 of the Listing Agreement.
- Consider appointment/reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration, service charges, fees etc.
- Consider and take on record the Secretarial Audit certificate issued by practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

The meetings of Investors Grievance Committee were held on 2nd April, 2009, 31st July, 2009, 28th October, 2009 and 12th March, 2010.

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The details of Complaints received and redressed during the financial year 2009–2010 are as under :

Sr. No.	Particulars	Correspondences	
		Received	Redressed / attended
	Complaints		
1	Non-Receipt of Share Certificates	NIL	NIL
2	Non-Receipt of Dividend Warrants	01	01
3	Non-Receipt of Annual Report	NIL	NIL
4	Non-Receipt of Demat Credit/Remat Certificate	NIL	NIL
5	Non-Receipt of Rejected Demat Request Form	03	03
6	SEBI/Stock Exchanges/Forums/Legal/NSDL/Bank	NIL	NIL
7	Misce. Complaints	NIL	NIL
	Requests from Shareholders		
8	Change of Address	NIL	NIL
9	POA/Mandate/Bank Details	NIL	NIL
10	Exchange/Redemption	01	01
11	Deletion/Transmission	NIL	NIL
12	Ind Bond/Affi. for Duplicates (Stop Transfer)	03	03
13	Div/RO for revalidation	NIL	NIL
14	Filing/Acknowledgement/Misce.	NIL	NIL
15	Dematerialisation / Rematerialisation of Share	03	03
	Total	11	11

There are no pending complaints/transfers, as also that there are no complaints not resolved to the satisfaction of Shareholders.

All Share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

Accounts Officer, Mr. Harish Vethekar, has been appointed as the Compliance Officer, as required by the Listing Agreement entered into by the Company with Bombay Stock Exchange. He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints/grievances intimated during the year, have been resolved.

There are no pending legal matters, in which the Company has been made a party, before any other Court(s)/ Consumer Forum(s) etc., on Investors grievances.

REMUNERATION COMMITTEE:

The Remuneration Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the **terms of reference** as specified herein as under:

1. The Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee whenever required by it.



3. The Remuneration Committee shall have the following powers and functions :
- To recommend to the Board, the terms and conditions of appointment of key Management personnel.
 - To seek information from any employee.
 - To obtain outside legal or other professional advice.

Remuneration Policy :

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is in consonance with the existing industry practice.

The Remuneration Committee consists of the following Directors:

Mr. Asit D. Javeri	Chairman	Non-Executive, Independent
Mr. Anand R. Dalal	Member	Non-Executive, Independent
Mr. Amit B. Shah	Member	Non-Executive, Independent
Mr. Ankur M. Maneck	Member	Non-Executive, Independent

Attendance record of the Members :

The meeting of Remuneration Committee was held on 18th June, 2008 and the same was attended by all the Members except Mr. Asit D. Javeri, Chairman of the Committee.

Non-Executive Directors are paid Sitting Fees of Rs.1500/- (Rupees One Thousand Five Hundred only) for every meeting of the Board of Directors attended by them.

The Company has not advanced any loans to any of the Directors.

The Remuneration paid to the Directors of the Company during the financial year 2009-2010 is as under:

Directors	Remuneration paid/payable during 2009-2010 (Rs.)				Shares held by Non-Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	
Shri Shantilal B. Jhaveri*	NIL	6,32,642	NIL	6,32,642	N.A.
Shri Priyam S. Jhaveri*	NIL	5,93,205	NIL	5,93,205	N.A.
Shri Asit D. Javeri	9,000	NIL	NIL	9,000	4,700
Shri Anand R. Dalal	10,500	NIL	NIL	10,500	30,000
Shri Amit B. Shah	10,500	NIL	NIL	10,500	NIL
Shri Ankur M. Maneck	10,500	NIL	NIL	10,500	3,200
Total	40,500	# 12,25,847	NIL	12,66,347	

* Not eligible for sitting fees, remuneration paid as per provisions of Section 217(2A) of the Companies Act, 1956.

Refer Note B-5 of Schedule 18 "Notes on Accounts" annexed to the Financial Statements of the year.

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A. Shri Shantilal B. Jhaveri (Chairman & Managing Director)

- 1) Besides commission of 2% of net profit payable to Shri Shantilal B. Jhaveri, Chairman & Managing Director there is no fixed component and performance linked incentives, alongwith the performance criteria.

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 modification 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.

Sitting Fees The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Managing Director.

Overall limit The remuneration referred above 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.

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.

Rateable Proportion If the Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to rateable proportion of what he would have received if he had lived and been employed for the whole of that year.

Reimbursement The Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

Shri S. B. Jhaveri is reappointed by the Shareholders in the General Meeting held on 26/9/2007 as the Managing Director of the Company for a period of 5 years with effect from 1st April, 2007 not liable to retire by rotation so long as he holds office as Managing Director.

Terms of Office The Managing Director shall hold and the said office subject to as hereinafter provided for the term of five years from the 1st day of April, 2007.

Resignation The Managing Director shall be free to resign his office by giving three calendar months notice in writing to the Company.

B. Shri Priyam S. Jhaveri (Joint Managing Director)

- 1) Besides commission of 2% of net profit payable to Shri Priyam S. Jhaveri, Joint Managing Director there is no fixed component and performance linked incentives, alongwith the performance criteria.

Remuneration The Joint Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act,1956 or any modification 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.



Sitting Fees	The Joint Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Joint Managing Director.
Overall limit	<p>The remuneration referred above 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.</p> <p>In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Joint 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.</p>
Rateable Proportion	If the Joint Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to rateable proportion of what he would have received if he had lived and been employed for the whole of that year.
Reimbursement	The Joint Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

Shri P. S. Jhaveri is reappointed by the Shareholders in the 52nd Annual General Meeting held on 23/9/2008 as the Joint Managing Director of the Company for a period of 5 years with effect from 4th September, 2008 not liable to retire by rotation so long as he holds office as Joint Managing Director.

Terms of Office	The Joint Managing Director shall hold and the said office subject to as hereinafter provided for the term of five years from the 4 th day of September, 2008.
Resignation	The Joint Managing Director shall be free to resign his office by giving three calendar months notice in writing to the Company.

DISCLOSURES :

Related Party Transactions :

There has not been any materially significant related party transaction between the Company and its Directors, Promoters Management etc., that may have potential conflict with the interest of the Company at large.

Transactions with related parties are disclosed in Note No.B-11 in Schedule 18 "Notes on Accounts" annexed to Financial Statements of the year.

Miscellaneous :

The Company has complied with all regulations of Stock Exchanges, Securities and Exchange Board of India (SEBI) or other statutory authority/ties on any matters related to capital markets. No penalties have been imposed or strictures passed during the last three years against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

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The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.

Means of Communication :

Half yearly/Quarterly Results are not been sent to shareholders; instead shareholders are intimated these through press.

The quarterly, half-yearly and Annual Results of the Company's financial performance are published in the newspapers viz. Financial Express and Daily Sagar. These, before release to the press are informed to the Mumbai Stock Exchange.

SEBI EDIFAR:- Quarterly results and Shareholding pattern of the Company are also posted on the SEBI Edifar Website – www.sebiedifar.nic.in

Management discussion and analysis forms part of the Annual Report and appears as Annexure to the Directors' Report.

Secretarial Audit :

A qualified practising Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audits confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Compliance :

Auditors' Certificate on Corporate Governance, as required by Clause 49 of the Listing Agreement is incorporated in this Annual Report.

SHAREHOLDERS INFORMATION

Annual General Meeting:

Date and Time : 29th September, 2010 at 3.30 p.m.

Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg, Fort,
(Behind Prince of Wales Museum),
Mumbai - 400 001.



Last 3 Annual General Meeting:

Date and Time	29 th September, 2009 at 4.30 p.m	23 rd September, 2008 at 4.30 p.m.	26 th September, 2007 at 4.30 p.m.
Venue	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.	M. C. Ghia Hall, Bhogilal, Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai – 400 001.

No special resolutions were passed through postal ballot in any of the aforesaid Annual General Meetings.

Date of Book Closure : Wednesday the 22nd day of September, 2010 to Wednesday the 29th day of September, 2010 (inclusive of both days).

Financial Calendar:

Unaudited Results with Limited Review for the Quarter	Due Date	Annual Audited Accounts	Due Date
30 th June 2010	14 th Aug. 2010	31 st March 2011	30 th May 2011
30 th Sept. 2010	14 th Nov. 2010		
31 st Dec. 2010	14 th Feb. 2010		

Dividend Payment :

Dividend Declared : NIL

Listing on Stock Exchange(s) :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited.

INDIAN EXTRACTIONS LIMITED

Stock Codes :

Security Code No.524614 – Bombay Stock Exchange Limited.

The Company has paid upto date listing fees to Bombay Stock Exchange Limited.

Stock Market Data :

Month/Year	Volume	Mumbai Stock Exchange	
	Nos.	High (Rs.)	Low (Rs.)
April 2009	12285	11.95	9.70
May 2009	120	11.00	10.60
June 2009	197	12.40	11.25
July 2009	1820	12.00	10.26
August 2009	17761	9.90	6.66
September 2009	7087	9.10	7.50
October 2009	6148	8.55	6.40
November 2009	2134	7.03	6.37
December 2009	6881	9.53	6.73
January 2010	11588	10.96	8.62
February 2010	1783	9.99	8.85
March 2010	16532	11.69	8.08

Registrars and Share Transfer Agents:

Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.

Share Transfer System :

Company's shares are compulsorily traded in the demat segment on the Stock Exchange, and most of the transfer of shares take place in the electronic form.

For expediting the physical transfer of shares, the Board has delegated the Share Transfer formalities to the Share Transfer Committee, to approve the transfer of shares. Physical transfers are effected well within the stipulated period of 30 days.



Shareholding Pattern: Shareholding Pattern as on 31st March 2010.

Category	No. of Shares Held	% of Shareholding
A Promoter's Holding		
1 Promoters - Indian Promoters	2188333	65.57
- Foreign Promoters	NIL	NIL
2 Persons acting in concert	NIL	NIL
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	NIL	NIL
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	16400	0.49
c FIs	NIL	NIL
4 Others		
a Private Corporate Bodies	101780	3.04
b Indian Public	904210	27.09
c NRI's/OCB's	70987	2.13
d Independent Directors & Relatives	37900	1.14
e Present Employees	14300	0.43
f Any other (Clearing Member)	3723	0.11
Grand Total	3337633	100.00

Distribution of Share: Distribution of shareholding as on 31st March, 2009.

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	2187	89.0472	310591	9.3057
501-1000	121	4.9267	106039	3.1771
1001-2000	71	2.8909	107619	3.2244
2001-3000	11	0.4479	30040	0.9000
3001-4000	8	0.3257	29922	0.8965
4001-5000	12	0.4886	57707	1.7290
5001-10000	14	0.5700	100165	3.0011
above 10001	32	1.3029	2595550	77.7662
Total	2456	100.0000	3337633	100.0000

Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31st March, 2010, 7,78,850 Equity Shares comprising of 23.34% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

There are no outstanding GDR's/ADR's/Warrants or any convertible instruments.

INDIAN EXTRACTIONS LIMITED

Plant Location:

Pandit Nehru Marg,
Jamnagar – 361 002.
Telephone: 2757400/11/22

Investors Correspondence:

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
The Compliance Officer Indian Extractions Limited Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai – 400 001.	Indian Extractions Limited Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai – 400 001.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

Electronic Clearing Services (ECS) for payment of Dividend:

ECS facility is presently available in few metro cities. To avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of ECS facility – where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. The ECS application form can be obtained either from Registered Office or from the Secretarial Department of the Company.

Shareholders located in places where ECS facility is not available, may submit their bank details of account i.e. name of bank, branch, its address, A/C. No. and nine digit MICR Code of bank/branch. Thus, this will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

Unclaimed Dividend:

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years automatically get transferred to the Investors Education and Protection Fund administered by the Central Government. The table given below gives the date of dividend declaration or payment since 2002 and the corresponding date when unclaimed dividends are due to be transferred to the Central Government.

Year	Dividend Account No.	Bank Name	Date of Declaration	Date due for Transfer to Central Government
2002-03	0602230004333	HDFC Bank	29-09-2003	28-09-2010

Shareholders, whose dividend for the financial year 2002-03 is unclaimed, are requested to claim it immediately, since the balance in the dividend account of that year, will be transferred to Investors Education and Protection Fund administered by the Central Government during the month of August/September 2010, from which Fund, the same cannot be claimed, thereafter, by the concerned shareholders.

Annexure to Corporate Governance Report

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board have affirmed compliance with Code of Conduct for the year ended 31st March, 2010.

Mumbai, dated, 29th May, 2010

S. B. Jhaveri
(Chairman)



Profile of Directors being appointed at the ensuing Annual General Meeting:

Name	Age	Educational Qualification	Experience	
Mr. Asit D. Javeri	53 yrs	B.Sc.	Mr. Asit D. Javeri is an Industrialist having rich experience of more than 25 years in the chemical industry. He is Chairman & Managing Director of public listed company Sadhana Nitro Chem Ltd.	The Board of Directors had first appointed Mr. Asit D. Javeri as an Additional Director of the Company when the Company was a Private Limited Company with effect from 4/9/1993. Mr. Asit D. Javeri is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.
Mr. Amit B. Shah	58 yrs	B. Sc. MBA	Mr. Amit B. Shah is having more than 30 years experience in the areas of administration, factory operations, sourcing and marketing. He is associated with the Nanavati Group since 1992 in various capacities. He is also Executive Director with Phthalo Colours & Chemicals (India) Ltd.	The Board of Directors had first appointed Amit B. Shah as an Additional Director of the Company with effect from 27/01/2003. Mr. Amit B. Shah is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Name of the Companies in which Directors re-appointed by Shareholders holds directorship and the membership of Committees of the board:

Name of the Director	Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
Mr. Asit D. Javeri	<ol style="list-style-type: none"> Sadhana Nitro Chem Limited Premier Limited Lifestyle Networks Limited Manekchand Panachand Trading Investment Co. Pvt. Ltd. Anuchem B.V.B.A. Belgium Chandra Net Private Ltd. Anuchem Pvt. Ltd., Singapore Phthalo Colours & Chemicals (I) Ltd. 	<ol style="list-style-type: none"> Indian Extractions Limited <ol style="list-style-type: none"> Audit Committee Shareholders'/ Investors' Grievance Committee Remuneration Committee
Mr. Amit B. Shah	<ol style="list-style-type: none"> Phthalo Colours & Chemicals (I) Ltd. Nanavati Speciality Chemicals Private Limited Nanavati Chemex Private Limited Medchem Technologies Pvt. Ltd. 	<ol style="list-style-type: none"> Indian Extractions Limited <ol style="list-style-type: none"> Audit Committee Shareholders'/ Investors' Grievance Committee Remuneration Committee Share Transfer Committee

For and on Behalf of the Board

S. B. JHAVERI
(Chairman & Managing Director)

Place: MUMBAI
Dated: 29th May, 2010

INDIAN EXTRACTIONS LIMITED

Auditors' Certificate on compliance of conditions of Corporate Governance

To the members of Indian Extractions Limited

We have examined the compliance of conditions of Corporate Governance by **Indian Extractions Limited**, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except that

- i) *the post of Company Secretary is vacant throughout the year, due to which there was no such secretary present in the Audit Committee meetings held during the year.*
- ii) *the Code of Conduct of the Company is not displayed on the web in absence of website of the company.*

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Investor Services Department and as certified by the Compliance Officer of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Deloitte Haskins and Sells
Chartered Accountants**

A. B. Jani
Partner
Membership No. 46488

Mumbai,
Dated : 29th May 2010



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:

			<u>Current Year</u>	<u>Previous Year</u>
1. Electricity:				
a. Purchased & Consumed	-	Unit	1340529	1362612
	-	Total Amount	8853763	7690816
	-	Rate/Unit	6.60	5.64
b. Own Generation	-	Unit	9088	10992
Through Diesel Generator	-	Total Amount	111652	137679
	-	Rate/Unit	12.29	12.53
2. Coal (Lignite):	-	Tonnes	562	1483
	-	Total Amount	1306081	3149203
	-	Average Rate	2,323.99	2123.54
3. Others:				
1. Oilseed Husk	-	Tonnes	3311	2652
	-	Total Amount	8278552	7418604
	-	Average Rate	2500.32	2797.36

B. CONSUMPTION RATE PER UNIT OF PRODUCTION:

Per tonne of oikcakes / seeds Processed:

Electricity	-	Unit	54.08	37.59
Fuel: Coal – Lignite	-	Kgs	22.67	40.91
Oilseed Husk	-	Kgs	133.57	73.15

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 2009. It also successfully commissioned the refinery for refining of edible oil in May 2009.

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 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.	62,95,998	9,09,04,992
Foreign Exchange Used	Rs.	4,36,00996	61,84,356

For and on Behalf of the Board

S. B. JHAVERI
(Chairman & Managing Director)

Place : MUMBAI
Dated : 29th May, 2010



MANAGEMENT DISCUSSION AND ANALYSIS

Indian Extractions Limited is in the business of solvent extraction since past five decades.

The following Directors are part of Management Team :

- i. Shri Shantilal B. Jhaveri – Chairman & Managing Director
- ii. Shri Priyam S. Jhaveri – Joint Managing Director

Some statements in this Discussion describing the projections, estimates, expectations, vision or outlook and may be forward looking. Actual results may differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and also international situations, exchanges rate and interest rate movements, impact of competing products and their pricing, product demand and supply, and also general economic scenario.

INDUSTRY STRUCTURE AND DEVELOPMENT

In accordance with the business direction your Company is committed for improving the quality of people's lives through branded solvent extracted refined groundnut oils and refined edible oils besides catering to cattle feed industry by supplying deoiled cakes. Your Company processes groundnut/rapeseed oil cakes and derives de-oiled cakes and refined edible oils. Also the Company has commenced new refinery and in which it produces and refine various edible oils and market under its established brand name "DIAMOND". Your Company caters to mainly local and international market for supply of de-oiled cakes and the refined oil is sold locally. The solvent extraction industry is concerned with processing groundnut/rape expeller oil cakes for producing deoiled cakes and also solvent extracted groundnut/rape oil. Hence solvent extracted groundnut/rape oil has to be compulsorily refined before it can be permitted for edible use. Your Company has successfully mastered this process resulting in a regular demand from local consumers for its refined solvent extracted groundnut oil which is established in the market very well under the brand name of "Diamond". Your Company is in the industry, which is characterized by a large unorganized sector comprising local and regional players besides established and aggressive market brands from large scale companies Another characteristic has been the scope offered by the vast rural population in India, where branded products are yet to make the same headway as they have made in urban areas.

During the year under review the solvent extraction industry has remained under constant threats due to various unfavorable market conditions like disparity in the pricing, volatile foreign exchange, uneven rain in India resulting low availability of feedstock, bumper crop in US, Brazil, Argentina etc. resulting into supply at a below cost price in the international market etc. Your Company was also not an exception and all these factors have adversely impacted the operations for the solvent extraction plant and thereby solvent extracted oil too. Fortunately, envisaging the market conditions the step of the management to set up refinery has yielded favorable results by increase in refined oil business and turnover since refinery has commenced fully during the end of third quarter of the financial year. Also management has tapped into trading of chemicals and commodity which has delivered favorable results in terms of turnover and margins.

OPPORTUNITIES AND THREATS

Your Company continuously seeks new opportunities in trying to tap new areas. Since a major portion of your Company's products is still dominated by the unorganized sector, there are opportunities in converting the consumers of non-branded goods (e.g. loose refined groundnut oil) into consumers of branded goods (e.g. Diamond Refined Groundnut Oil). At the same time, changes in consumer habits have to be closely and continuously monitored. Your Company has successfully entered into refined cottonseeds edible oil market in the Jamnagar district and is planning to introduce different refined edible oils like palm, soya, rapeseeds etc. into local market in a phased manner.

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Moving consumers from low-end commodity based products to high-end value added branded products are in general an opportunity area. Also introduction of new low cost quality edible oils and various small pack sizes for the same is also a major area of opportunities in the local demography.

The external economic factors are challenging and will ever remain so however, considering the business plan of becoming a refined edible oil producer of different crops and an experience of more than five decades of the promoters and the management in the solvent extraction industry together with established brand name of "DIAMOND" will able your Company to gain commandable position in refined edible oil market in a years to come. However, competition remains a continuously ambient threat in any industry and fast changing preference, habits and tastes of the customers are to be tackled on an ongoing basis.

OUTLOOK

Your Company has already completed the modernization of solvent extraction plant and new refinery has started functioning full fledge basis. Your Company has already captured sizable share in cottonseed edible oil local market in the Jamnagar district and will be introducing different edible oils like palm, soya, rapeseed etc. in a phased manner to gain major market share in local area.

Your Company continues to focus on product innovation and quality improvements in order to provide the best possible value proposition to its customers. Also the aim of the Company is to be a mid sized edible refined oil producer and marketer having strong presence in the local area thereby leveraging it's existing business model of solvent extraction and it's oil.

Over a period of time the Company aims to consolidate further on feeding the national market.

The Company has only one reportable business segment i.e. solvent extractions and refined oil

RISKS AND CONCERNS

Macro-economic factors like the slow down, poor monsoon, sluggish demand conditions, import policy of edible oils, unforeseen political and social upheavals, natural calamities, customers preference, habits and tests, inflation, general demand and supply conditions etc. factors may affect the business of your Company as also the industry at large and in general .

With competition intensifying in all segments of the industry, increasing the market shares and the consumer base is a continuing challenge.

Penetration in the rural market is crucial for increasing the base of the users of branded products, rural demand conditions therefore affect the overall business.

Since raw materials form an important component of your Company's value chain, cost and availability of some of the key raw materials like Groundnut, imported raw edible oil are an area of concern.

Besides these, changes in legislation, especially fiscal and food related also have a bearing on the business performance, especially new opportunities.

Your Company has however not been significantly impacted by these risk/concern factors due to the equity commanded by its brands, product differentiation, pro-active action towards anticipated hindrances, technological superiority and strong distribution network.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a well-established and comprehensive system of internal controls across the value chain to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorised, recorded and reported correctly. Also the management is in the process of strengthening the same in line with changed business requirements. The key constituents of the internal control system are:

- Clear and well defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthened controls
- Compliance monitoring and review system
- Review of business plan, identify key risks and opportunities
- A robust management information system
- Well-defined principles and procedures for evaluation of new proposals
- A robust internal audit and review system

Your Company has set up a system of internal audit conducted through Firm of Chartered Accountants, Mihir Shah & Associates for Head Office at Mumbai and Mr. P. M. Purohit, Chartered Accountant for the Jamnagar factory. Internal Audits are undertaken on a continuous basis covering various areas across the value chain like manufacturing, operations, sales and distribution, marketing, finance etc. Reports of the internal auditors are regularly reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports are presented to the Audit Committee of the Board.

HUMAN RESOURCE/INDUSTRIAL RELATIONS

Human Resource programmes and initiatives in Indian Extractions Ltd., are aligned to meet the business needs. Your Company believes in investing in people to develop and expand their capability. The Company has been able to create a favourable work environment that motivates performance, customer focus and innovation. Indian Extraction's strategies are based, inter alia, on processes of continuous learning and improvement.

During the year the Company has reduced the employee strength to 82 from 127 in the previous year.

FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

The year under review has witnessed many challenges and difficulties for the operations of the Company because of various factors as summarized in the board of directors report. Cumulative effect of all such adverse factors has resulted in very low capacity utilization and thereby increased cost of operations has resulted in negative margin for the solvent extraction business operations. The Company was able to process only 24789 MT. of Solvent Extractions against 36253 MT. in the previous year.

The management's vision of refinery installation has been fructified and the multi product oil refinery commissioned in May, 2009 with trial runs and the functioning of the refinery has been stabilized successfully during the last quarter. The refinery was installed with a view to increase and diversify the business strength in the edible oil market by capitalizing on the Company's reputed and established brand "DIAMOND". During the year, the Company has refined 4543 MT of different edible oils as compared to 2417 MT in the previous year, resulting in almost doubling the quantity.

Due to refinery activity and trading activity, the company has achieved a turnover of Rs. 80.40 Crore as against Rs. 69.86 Crore in the previous year, thereby registering a growth of 15% in spite of very low solvent extraction business. The Company has incurred loss before interest and depreciation of Rs. 21.10 lacs as against profit for previous year of Rs. 37.06 lacs. The fall is mainly because of lower refinery utilization upto December, 2009 as well as minimum operation of solvent extractions plant due to adverse market factors as mentioned above.

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The loss for the year is recorded at Rs.306.75 lacs as against Rs. 136.89 lacs for the previous year. The loss was higher because of higher interest and financial charges of Rs. 217.80 lacs as against Rs. 146.58 lacs on account of Term Loan interest on the newly commenced refinery besides higher utilization of working capital limits due to liquidity constrain.

The Company has successfully entered into the market with Refined Cotton Seed Oil and Refined Soya Oil, besides the traditional solvent extracted groundnut oil and refined groundnut expeller oil. The stabilization and consistent operations of refinery will broaden the business operations of the company and reduce the dependence of solvent extractions operations over a period.

In addition, the company has diversified its business operations by entering into a trading activity in the chemicals and commodities, which has also supported operations of the company.

The Company is now focusing into refinery business and also introducing various refined edible oils into the market in a phased manner with a view to gain commandable position in the local market. The revised business model and plan besides various cost savings, control and cutting measures are likely to deliver favorable results in years to come.

Further, the bank has approved reduction of interest, a concession given as per Agro processing unit scheme introduced in September 2009 which will benefit by way of saving significantly the finance cost. The Company is also discussing for reorganization of it's banking facilities for cost reduction and improvement in liquidity.

Also with a view to improve the liquidity, the company has activated the process of selling its vacant surplus land adm. 70000 Sq. Ft. to the Jt. Managing Director in terms of approval of its Board of Directors and the proceeds of the same will be deployed to improve the liquidity position of the company for better business operations.

Considering the long standing experience of the Promoters and Management in the Solvent Extractions and Edible Oil Industry together with various measures taken by them, the Board of Directors bearing unforeseen circumstances are confident to improve business operations and performance of the company in years to come.

For and on Behalf of the Board

S. B. JHAVERI
(Chairman & Managing Director)

Place: MUMBAI
Dated: 29th May, 2010



AUDITORS' REPORT

To the members of Indian Extractions Limited

1. We have audited the attached Balance Sheet of Indian Extractions Limited ("the Company") as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for matters contained in paragraph e) below;
 - e) Certain items of inventory have been valued at amounts which are higher than their respective cost, which is not in accordance with Accounting Standard 2 "Valuation on Inventories". Consequently, the values of inventory as at 31st March, 2010 are higher by Rs.42.57 lacs and loss for the year is lower by the like amount.
 - f) Without qualifying our opinion, we draw attention to note 14 of Schedule 18 regarding the accounts of the Company being prepared on a going concern basis.
 - g) Subject to our observation in paragraph 4(e) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Deloitte Haskins and Sells
Chartered Accountants

A B Jani
Partner
Membership No. 46488

Mumbai, Dated : 29th, May 2010

INDIAN EXTRACTIONS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Re: Indian Extractions Limited

(Referred to in Paragraph 3 of our report of even date)

- i) The nature of the Company's business /activities during the year has been such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
c) The Company has not disposed off a substantial part of fixed assets during the year.
- iii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company is maintaining proper records of its inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iv) a) There are no loans, secured or unsecured given to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence clause (a), (b), (c) and (d) of clause (iii) are not applicable to the Company.
b) The Company has taken unsecured loans from three parties covered in the Register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such loans taken aggregated Rs. 25,500,000 /- and the maximum amount involved during the year was Rs25,800,000/-.
c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie, prejudicial to the interest of the Company.
d) The Company is generally regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- v) In our opinion and according to the information and explanations given to us, the internal control system is in the process of being strengthened to be commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to sale of goods and services, in respect of maintenance of appropriate documentation thereof.
- vi) a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts/arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) According to the information and explanations given to us, there are no transactions, which are in excess of Rs 5 lacs in respect of each party covered under section 301 of the Companies Act, 1956 [excluding loans reported under paragraph (iv) above]. Hence, clause (v) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable.
- vii) According to the information and explanations given to us, the Company has complied with the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from public. We are informed that no Order has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal in this respect.
- viii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- ix) According to the information and explanations given to us the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, in respect of products manufactured by the Company.



- x) According to the information and explanations given to us in respect of statutory and other dues:
- The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess, Value Added Tax and any other statutory dues with the appropriate authorities during the year, where applicable.
 - There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess, Value Added Tax and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, details of dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited as on 31st March, 2010 on account of any dispute are given below:

Name of Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax Demands	27.92	A.Y. 1991-92	Gujarat Sales Tax Tribunal, Ahmedabad.
Central Excise Act	Excise Duty	232.22	A.Y. 2003-04	Commissioner of Central Excise, Rajkot

- In our opinion, the accumulated losses of the Company are more than fifty per cent of its net worth. The Company has incurred cash losses during the financial year covered by our audit as well as during the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- To the best of our knowledge and belief, and according to the information and explanations given to us, the term loan taken during the year has been applied for the purpose for which it was obtained.
- In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used during the year for long-term investment to the extent of Rs. 31,228,560.
- The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- The Company has not issued any debentures during the year.
- The Company has not raised any money by way of public issues during the year.
- To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS AND SELLS
Chartered Accountants

A. B. Jani
Partner
Membership No. : 46488

Mumbai,
Dated: 29th May, 2010

INDIAN EXTRACTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rupees	As at 31 st March 2010 Rupees	As at 31 st March 2009 Rupees
SOURCES OF FUNDS				
1. Shareholders' Funds:				
(a) Share Capital	1	3,33,76,330		3,33,76,330
(b) Reserves and Surplus	2	15,79,13,411		15,95,65,667
			19,12,89,741	19,29,41,997
2. Loan Funds:				
(a) Secured Loans	3	17,32,51,841		14,65,25,985
(b) Unsecured Loans	4	3,67,15,000		3,37,45,000
			20,99,66,841	18,02,70,985
3. Deferred Tax Liability (Net)			-	--
	TOTAL		40,12,56,582	37,32,12,982
APPLICATION OF FUNDS				
1. Fixed Assets:	5			
(a) Gross Block		33,01,37,606		29,13,15,476
(b) Less: Depreciation		11,01,91,874		10,25,84,369
(c) Net Block			21,99,45,732	18,87,31,107
(d) Capital Work in Progress			-	3,06,50,753
			21,99,45,732	21,93,81,860
2. Investments	6		--	6,100
3. Current Assets, Loans and Advances:				
(a) Inventories	7	10,20,72,644		8,71,55,082
(b) Sundry Debtors	8	6,63,79,761		3,87,48,617
(c) Cash and Bank Balances	9	1,06,33,014		1,36,41,447
(d) Other Current Assets	10	-		4,203
(e) Loans and Advances	11	2,34,07,726		2,16,45,006
		20,24,93,145		16,11,94,335
Less: Current Liabilities and Provisions:				
(a) Liabilities	12	6,79,57,159		2,22,28,818
(b) Provisions	13	22,88,558		35,28,911
		7,02,45,717		2,57,57,729
Net Current Assets			13,22,47,428	13,54,36,626
4. Profit & Loss Account			4,90,63,422	1,83,88,396
	TOTAL		40,12,56,582	37,32,12,982
Significant Accounting Policies and Notes on Accounts:	18			

As per our attached Report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

A. B. Jani
Partner
MUMBAI
DATED : 29th May, 2010

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Joint Managing Director

MUMBAI
DATED : 29th May, 2010

ANAND R. DALAL
ASIT D. JAVERI
AMIT B. SHAH
ANKUR M. MANECK
Directors

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	Rupees	Rupees	Previous Year Rupees
INCOME:				
Turnover (Gross)		803,985,219		698,648,733
Less: Excise duty		<u>181,667</u>		<u>287,623</u>
Turnover (Net)			803,803,552	698,361,110
Other Income	14		7,888,177	4,314,888
Increase /(Decrease) in Stocks of finished goods and process stocks	15		<u>3,03,34,902</u>	<u>(32,021,734)</u>
TOTAL			<u>84,20,26,631</u>	<u>67,06,54,264</u>
EXPENDITURE:				
Purchase of Trading Goods			20,72,97,030	9,21,07,996
Manufacturing and Other Expenses	16		63,68,39,280	57,48,39,963
Interest and Finance Charges	17		2,17,67,340	1,46,58,929
Depreciation		84,41,013		65,25,387
Less: Depreciation on the amount added on revaluation transferred from Revaluation Reserve		<u>16,52,256</u>		<u>17,43,727</u>
			67,88,758	47,81,660
TOTAL			<u>87,26,92,408</u>	<u>68,63,88,548</u>
(Loss) before tax			(3,06,65,777)	(1,57,34,284)
Provision for Tax:				
- Wealth Tax		9,249		29,903
- Deferred Tax		--		(24,35,077)
- Fringe Benefit Tax		<u>--</u>		<u>3,60,000</u>
			9,249	<u>(20,45,174)</u>
(Loss) for the year			(3,06,75,026)	(1,36,89,110)
Balance brought forward from previous year			(3,74,37,967)	(2,37,48,857)
			(6,81,12,993)	(3,74,37,967)
General Reserve Deducted as per contra			(1,90,49,571)	(1,90,49,571)
Balance carried to balance sheet			<u>(4,90,63,422)</u>	<u>(1,83,88,396)</u>
Basic and Diluted Earnings per Share (Refer Note No.B-7 of Schedule 18)			(9.19)	(4.10)
Significant Accounting Policies and Notes on Accounts:	18			

As per our attached Report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants**A. B. Jani**
Partner
MUMBAI
DATED : 29th May, 2010

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director**P. S. JHAVERI**
Joint Managing DirectorMUMBAI
DATED : 29th May, 2010**ANAND R. DALAL**
ASIT D. JAVERI
AMIT B. SHAH
ANKUR M. MANECK
Directors

INDIAN EXTRACTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net (Loss) before tax		(3,06,65,777)		(1,57,34,284)
<u>Adjustments for</u>				
Depreciation	67,88,758		47,81,660	
(Profit) / Loss on sale of Fixed Assets (Net)	(8,057)		(14,30,970)	
Interest and Finance Charges	2,17,67,340		1,46,58,929	
Sundry credit balances written back (Net)	(1,63,633)		(3,27,299)	
Advance Written Off	20,000		--	
Fixed Assets Written Off	41,495		--	
Interest Income				
On Bank Deposits	2,32,453		2,04,123	
On Income Tax, Sales Tax Refund etc.	141		3,767	
On Others	16,28,280	(18,60,874)	40,591	(2,48,481)
		<u>2,65,85,029</u>		<u>1,74,33,839</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(40,80,749)		16,99,555
<u>Adjustments for</u>				
(Increase) / Decrease in Trade and other receivables	(2,95,27,238)		(1,65,31,222)	
(Increase) / Decrease in Inventories	(1,49,17,562)		3,28,56,747	
Increase / (Decrease) in Trade Payables	4,62,76,394		(1,01,02,198)	
		<u>18,31,595</u>		<u>62,23,327</u>
CASH (USED IN) / FROM OPERATIONS		(22,49,154)		79,22,882
Direct Taxes Paid		(87,959)		(4,15,356)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(A)	(23,37,113)	(A)	75,07,526
B. CASH FLOW FROM INVESTING ACTIVITIES				
Additions to Fixed Assets and Capital Work in Progress	(90,58,770)		(4,55,47,887)	
Proceeds from sale of Fixed Assets	20,447		24,39,385	
Proceeds from sale of Investments	--		1,00,00,080	
Interest Received	18,75,415		2,89,860	
NET CASH (USED IN) INVESTING ACTIVITIES	(B)	(71,62,908)	(B)	(3,28,18,562)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	8,66,20,632		4,39,37,717	
Repayment of Long Term Borrowings	(8,64,91,196)		(1,27,67,604)	
Proceeds from short Term Borrowings (Net)	2,95,66,419		1,38,77,175	
Interest Paid	(2,32,30,500)		(1,34,30,713)	
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(C) 64,65,355		(C) 3,16,16,575	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	[A+B+C] (30,34,666)		[A+B+C] 63,05,539	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (OPENING BALANCE)		1,35,37,431		72,31,892
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (CLOSING BALANCE)		1,05,02,765		1,35,37,431

	<u>As at 31st March, 2010</u>	<u>As at 31st March, 2009</u>
3. Reconciliation of cash and cash equivalents		
As per Balance Sheet- Schedule 9	1,06,33,014	1,36,41,447
less:		
interest accrued on bank deposits	1,30,249	1,04,016
As per Cash flow statement	1,05,02,765	1,35,37,431

- 1) *Components of Cash and bank balances includes Cash and Bank Balances as stated in Schedule 9 of the Balance Sheet.*
- 2) *Purchase of Fixed Assets (Including movements in Capital Work in Progress) is treated as part of investing activities.*
- 3) *Cash and Cash equivalents includes amount Rs.35,249/- (Previous year Rs.35,249/-) towards unclaimed dividend and towards Margin Money Rs. 3,920,966 /- (Previous Year Nil) and towards fixed deposits from public Rs.1,771,989/- (Previous year Rs.2,525,000/-)*

As per our attached Report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

A. B. Jani
Partner
MUMBAI
DATED : 29th May, 2010

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Joint Managing Director

MUMBAI
DATED : 29th May, 2010

ANAND R. DALAL
ASIT D. JAVERI
AMIT B. SHAH
ANKUR M. MANECK
Directors

INDIAN EXTRACTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED			
50,00,000 Equity Shares of Rs.10/- each		<u>5,00,00,000</u>	<u>5,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP			
33,37,633 Equity Shares of Rs. 10/- each, fully paid-up		<u>3,33,76,330</u>	<u>3,33,76,330</u>
Note:			
Of the above 19,80,000 Equity Shares were allotted as fully paid-up in an earlier year by way of bonus shares by capitalisation as under:			
(a) From General Reserve	98,00,000		
(b) From Revaluation Reserve	<u>1,00,00,000</u>		
	<u>1,98,00,000</u>		
TOTAL		<u><u>3,33,76,330</u></u>	<u><u>3,33,76,330</u></u>
SCHEDULE 2			
RESERVES AND SURPLUS			
CAPITAL RESERVE			
(Cash Subsidy Received from Gujarat State Government) As per last Balance Sheet		8,48,010	8,48,010
SHARE PREMIUM ACCOUNT			
As per last Balance Sheet		1,94,79,336	1,94,79,336
REVALUATION RESERVE			
As per last Balance Sheet	13,83,38,321		14,00,82,048
Less: Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account	<u>16,52,256</u>		<u>17,43,727</u>
		<u>13,66,86,065</u>	<u>13,83,38,321</u>
GENERAL RESERVE			
As per last Balance Sheet	1,90,49,571		1,90,49,571
Less : Debit balance in Profit and Loss Account deducted per contra	<u>1,90,49,571</u>		<u>1,90,49,571</u>
		--	--
EXPORT PROFIT RESERVE			
As per last Balance Sheet		9,00,000	9,00,000
TOTAL		<u><u>15,79,13,411</u></u>	<u><u>15,95,65,687</u></u>
SCHEDULE 3			
SECURED LOANS			
Loans and Advance From Banks			
Cash Credit accounts etc	1	13,63,88,037	10,97,91,618
Term Loan	2	3,52,75,853	3,41,79,936
Vehicle Loan	3	15,87,951	25,54,431
TOTAL		<u><u>17,32,51,841</u></u>	<u><u>14,65,25,985</u></u>

Notes: 1 Secured by hypothecation of Premises, Stores, Spares, Plant and Machinery, present and future Book Debts, other receivables, stock in Trade and Other Stores and guaranteed by the Managing Directors.
2 Secured by hypothecation of New Boiler, Extractor, New Refinery.
3 Secured by hypothecation of Vehicle Purchased.



Notes	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
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SCHEDULE 4

UNSECURED LOANS

Fixed Deposits	1,12,15,000	1,62,45,000
Short Term Loans and Advances:		
From Directors	2,30,00,000	1,25,00,000
From Others - Inter Corporate Deposit	25,00,000	50,00,000
TOTAL	<u>3,67,15,000</u>	<u>3,37,45,000</u>

SCHEDULE 5

FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1.4.2009	Additions	Deductions	Additions on Revaluation	As at 31.3.2010	Up to 31.3.2009	For the year	Deductions	Up to 31.3.2009	As at 31.3.2010	As at 31.3.2009
Freehold Land	9,94,29,911	-	-	-	9,94,29,911	-	-	-	-	9,94,29,911	9,94,29,911
Leasehold Land	4,11,43,954	-	-	-	4,11,43,954	38,06,978	8,11,674	-	46,18,652	3,65,25,302	3,73,36,976
Buildings	4,59,03,284	-	-	-	4,59,03,284	3,80,67,383	7,59,980	-	3,88,27,363	70,75,921	78,35,901
Plant and Machinery	8,97,42,352	3,95,77,076	-	-	12,93,19,428	5,15,03,849	53,69,928	-	5,68,73,777	7,24,45,651	3,82,38,503
Furniture, Fixtures and Equipment	47,21,705	1,30,022	8,06,806	-	40,44,921	39,94,699	1,55,048	7,62,580	33,87,167	6,57,754	7,27,006
Vehicles	1,03,74,270	2,425	80,587	-	1,02,96,108	52,11,460	13,44,383	70,928	64,84,915	38,11,193	51,62,810
TOTAL	29,13,15,476	3,97,09,523	8,87,393	---	33,01,37,606	10,25,84,369	84,41,013	8,33,508	11,01,91,874	21,99,45,732	18,87,31,107
PREVIOUS YEAR	28,09,37,163	1,48,97,134	45,18,821	---	29,13,15,476	9,95,69,388	65,25,387	35,10,406	10,25,84,369		
Capital Work In Progress (Including Capital Advances)											3,06,50,753
										21,99,45,732	21,93,81,860

Notes : 1. Gross Block is at cost or book value and includes amount added on revaluation. Revalued amounts substituted for Historical Cost of Fixed Assets and method adopted to compute revalued amounts, are as per Note 2 below :

2. (a) Freehold Land, Leasehold Land, Building and Plant and Machinery at Jamnagar have been revalued on 31st March, 1993 at Net Current Replacement Cost on the basis of valuation made by external valuers resulting in a net increase of Rs.73,890,810/- being surplus on Revaluation as on 31st March, 1993.
- (b) Freehold Land, Leasehold Land, at Jamnagar have been further revalued on 31st March, 2008 on the basis of valuation made by external valuer resulting in net increase of Rs.121,652,961/- being surplus on Revaluation as on 31st March, 2008.
3. Depreciation for the year includes depreciation provided on revalued cost of assets.
4. Vehicles aggregating to Rs.4,863,744/- are hypothecated against vehicle loan.

SCHEDULE 6

INVESTMENTS: (LONG TERM) (NON TRADE)

I. GOVERNMENT SECURITIES

6 Years National Saving Certificates (Deposited with Collector of Jamnagar District)	--	6,100
---	----	-------

II. EQUITY SHARES (quoted)

500 Shares of Elbee Services Limited of the face value of Rs.10/- each fully paid up.	70,000	70,000
2300 Shares of Life Style Fabrics Limited of the face value of Rs.10/- each fully paid up.	17,885	17,885
	87,885	87,885

	87,885	93,985
Less: Provision	87,885	87,885
TOTAL	--	6,100

Note:

Aggregate of quoted Investments Cost (Net of Provision made) (Market Value)	--	--
Aggregate of unquoted Investments (Cost)	--	33,810
	--	6,100

INDIAN EXTRACTIONS LIMITED

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE 7		
INVENTORIES :		
1. Stores and Spare Parts	75,72,404	66,75,475
2. Stock in Trade :		
Raw Materials	1,70,85,285	3,33,99,554
Finished Goods	7,44,37,821	3,61,61,477
Process Stock	<u>29,77,134</u>	<u>1,09,18,576</u>
	9,45,00,240	8,04,79,607
TOTAL	<u>10,20,72,644</u>	<u>8,71,55,082</u>
SCHEDULE 8		
SUNDRY DEBTORS : (UNSECURED)		
Debts outstanding for a period exceeding six months	23,94,845	25,75,393
Others Debts	<u>6,59,22,372</u>	<u>3,81,10,680</u>
	6,83,17,217	4,06,86,073
Less : Provision	<u>19,37,456</u>	<u>19,37,456</u>
	6,63,79,761	3,87,48,617
Notes:		
Considered Good	6,63,79,761	3,87,48,617
Considered doubtful	<u>19,37,456</u>	<u>19,37,456</u>
Total	<u>6,83,17,217</u>	<u>4,06,86,073</u>
SCHEDULE 9		
CASH AND BANK BALANCES		
1. Cash on hand	1,84,491	5,02,177
2. Bank Balances		
A] With Scheduled Banks		
In Current Accounts	46,51,985	1,04,96,114
In Fixed Deposit Accounts		
[including Margin Money Rs. 39,20,966/- (Previous Year Nil)		
Fixed Deposits from Public Rs. 17,71,989/- (Previous Year Rs. 25,25,000/-)		
[including Interest accrued Rs. 93,678/-, (Previous Year Rs. 1,04,016/-)]	<u>57,86,633</u>	<u>26,29,016</u>
	1,04,38,618	1,31,25,130
B] With others		
Commercial Co-operative Bank Ltd., Jamnagar		
In Current Account [Maximum amount outstanding at any time during the year Rs. 10,105/- (Previous Years Rs. 10,105/-)]	<u>9,905</u>	<u>10,105</u>
C] With Post office, Jamnagar		
In Savings Account		
[Maximum Amount Outstanding at any time during the year Rs. 4,035/- (Previous year Rs. 4,035/-)]	--	4,035
TOTAL	<u>1,06,33,014</u>	<u>1,36,41,447</u>



	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
--	-------------------------------------	-------------------------------------

SCHEDULE 10

OTHER CURRENT ASSETS

Interest Accrued on Investments	--	4,203
TOTAL	--	4,203

SCHEDULE 11

LOANS AND ADVANCES (Unsecured and considered good)

Advances recoverable in cash or in kind or for value to be received.	2,32,71,218	2,15,12,098
Advance tax (Net of Provision for Tax)	1,36,508	1,32,908
TOTAL	<u>2,34,07,726</u>	<u>2,16,45,006</u>

SCHEDULE 12

LIABILITIES

Sundry Creditors		
(i) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer note 6 of Schedule 18 (b))	-	-
(ii) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	<u>4,21,76,911</u>	<u>28,49,460</u>
	4,21,76,911	28,49,460
Advance Received from customers	20,75,995	1,02,80,975
Other Liabilities	35,249	83,63,904
Interest Accrued but not due on Loans	4,95,693	7,34,479
TOTAL	<u>6,79,57,159</u>	<u>2,22,28,818</u>

SCHEDULE 13

PROVISIONS

For		
Taxation (Net of Advance Tax)	34,793	29,903
Fringe Benefit Tax (Net)	6,126	86,126
Gratuity	17,47,075	31,00,607
Leave Encashment	5,00,564	3,12,275
TOTAL	<u>22,88,558</u>	<u>35,28,911</u>

INDIAN EXTRACTIONS LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Rupees	Previous Year Rupees
SCHEDULE 14			
OTHER INCOME			
<u>Interest</u>			
On Bank Deposits [Tax deducted at source Rs. 55,554/- (Previous year Rs. 62,250/-)]	2,32,453		2,04,123
On Income Tax, Sales Tax Refund etc.	141		3,767
On Others	<u>16,28,280</u>		<u>40,591</u>
		18,60,874	2,48,481
		2,48,481	6,20,939
Profit on Sale of Fixed Assets (Net)		8,057	14,30,970
Export Incentive Received		6,25,016	9,75,000
Insurance claims		78,439	1,50,200
Settlement of Contract		29,60,000	-
Excess provision for earlier years written back		13,53,532	-
Sundry Credit Balances Written back		1,63,633	3,27,299
Foreign Exchange Fluctuation (Net)		5,71,821	4,18,781
Miscellaneous Income		<u>2,66,805</u>	<u>7,64,157</u>
TOTAL		<u>78,88,177</u>	<u>43,14,888</u>
SCHEDULE 15			
(DECREASE) / INCREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK			
<u>Stocks as on 31st March, 2010</u>			
Finished Goods	7,44,37,821		3,61,61,477
Process Stock	<u>29,77,134</u>		<u>1,09,18,576</u>
		7,74,14,955	4,70,80,053
<u>Less : Stocks as on 1st April, 2009</u>			
Finished Goods	3,61,61,477		6,70,19,665
Process Stock	<u>1,09,18,576</u>		<u>1,20,82,122</u>
		4,70,80,053	7,91,01,787
(DECREASE) / INCREASE		<u>3,03,34,902</u>	<u>(3,20,21,734)</u>



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Rupees	Rupees	Previous Year Rupees
SCHEDULE 16				
MANUFACTURING AND OTHER EXPENSES				
Raw Materials Consumed (inogenous)			55,66,83,458	48,09,75,504
Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus		1,16,85,681		1,29,59,194
b) Contribution to Provident and other funds		13,52,322		15,32,926
c) Gratuity (including contribution to Gratuity Fund)		4,71,523		21,61,191
d) Welfare Expenses		6,43,100		8,74,632
			1,41,52,626	1,75,27,943
Operation and Other Expenses				
a) Stores, Spare Parts and Packing Materials Consumed (inogenous)		2,25,85,215		1,75,95,525
b) Power and Fuel		1,91,47,438		1,99,84,597
c) Factory Expenses		40,56,425		48,48,534
d) Rent		5,26,933		5,70,432
e) Repairs:				
To Buildings	41,842			70,481
To Machinery	16,02,926			13,75,083
To Others	1,71,342			2,70,732
			18,16,110	17,16,296
f) Insurance		7,78,949		7,90,167
g) Rates and Taxes		5,46,133		7,09,956
h) Brokerage and Discount		5,76,793		7,15,767
i) Export Freight and Shipping Charges		7,08,702		1,12,79,045
j) Transport and Forwarding Charges		76,40,303		87,24,141
k) Provision for doubtful debts		-		7,12,957
k) Donation		30,201		42,203
l) Directors Sitting Fees		40,500		16,500
m) Advances Written off		20,000		-
n) Fixed Assets Written off		41,495		-
o) Miscellaneous Expenses		73,54,863		86,41,614
			6,60,03,196	7,63,36,516
TOTAL			63,68,39,280	57,48,39,963

Note : Miscellaneous Expenses include Auditors Remunartaion, Legal & Professional Fees, Travalling Expenses etc.

SCHEDULE 17

INTEREST AND FINANCE CHARGES

Interest

i) On Cash Credit Accounts etc.	1,38,57,530	84,45,317
ii) On Fixed Deposits	16,84,053	18,75,867
iii) On Fixed Loans	60,12,470	39,60,350
iv) On Others	2,13,287	3,77,395
TOTAL	2,17,67,340	1,46,58,929

INDIAN EXTRACTIONS LIMITED

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2 USE OF ESTIMATES

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialize.

3 FIXED ASSETS

Fixed Assets are stated at cost of acquisition / construction or book value and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any.

4 INVESTMENTS

Current Investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

5 DEPRECIATION

Depreciation on fixed assets is provided on straight line /written down value basis in accordance with the Companies Act, 1956 (Refer Note No. B 3).

6 INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined on the following basis:

(i) Stores and Spare parts	First in First out.
(ii) Raw Materials	First in First out.
(iii) Trading Goods	First in First out.
(iv) Finished Goods and Process Stock	Material Cost plus appropriate share of overheads.

7 RETIREMENT BENEFITS

A) GRATUITY

The Trustees of Indian Extractions Limited Employees' Gratuity Fund has a fund arrangement (cash accumulation policy) with Life Insurance Corporation of India (LIC) to administer its gratuity benefit scheme. The contributions towards the said funds which are as determined by LIC are charged to revenue each year. Company ascertains the Liability towards Gratuity at the year-end and provision for the differential amount between the liability determined on Actuarial Valuation and Fund balance is provided in the books of account.

B) COMPENSATED ABSENCE

Provision is made for Compensated absences based on leave balance as at the end of the year.

C) PROVIDENT FUND

Liability is determined on the basis of contribution as required under the statute/rules.

8 CENVAT CREDIT

CENVAT Credit is accounted on accrual basis on purchase of materials.

9 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

10 REVENUE RECOGNITION

Revenue (Income) is recognised when no significant uncertainty as to determination or realisation exists.

11 CONTINGENT LIABILITIES

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefit will be required to settle the obligation.

12 BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

13 GOVERNMENT GRANTS

Grants related to specific fixed assets are disclosed as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Profit and Loss account. Grants in the nature of promoter's contribution are treated as Capital Reserve.

14 TAXES ON INCOME

Tax expense comprises of current tax, deferred tax and fringe benefits tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future



income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

15 DOUBTFUL DEBTS/ADVANCES

Provision is made in the accounts in respect of debts/advances which in the opinion of the management are considered doubtful of recovery.

16 IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

B. NOTES ON ACCOUNTS

	<u>Rupees</u>	<u>Previous Year Rupees</u>
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	-	1,91,324
2 Contingent Liabilities in respect of		
(a) * Disputed demands of Sales Tax Authorities	30,77,614	29,49,185
<small>* This represents demand raised by Sales Tax authorities in the state of Gujarat for disallowance of set off taken for tax paid on purchase of raw materials and packing materials and charging of additional tax on purchase of raw materials for which matter is pending before Gujarat Sales Tax Tribunal, Ahmedabad. The Company is confident that the claim will be successfully contested. The company has deposited Rs. 2,85,000/- under protest with the Sales Tax Authorities against the said demand. The deposit amount is included under account head Loans and Advances in Schedule 11.</small>		
(b) Order dated 26.11.2009 received from Commissioner of Central Excise, Rajkot in connection with demand for duty of Rs.116,10,789/- and penalty of Rs.116,10,789/- for which the Company has already filed an appeal against the said order before the Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad and based on the opinion received, the management is of the view that the matter will be settled in favour of the company.	2,32,21,578	-
3 (a) Depreciation is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as follows:		
(i) in respect of new solvent plant and oil mill on straight line basis.		
(ii) in respect of old plants, water pollution control system and other assets on written down value basis.		
(b) Depreciation Depreciation has been provided at the rates applicable for Continuous Process Plant (i.e.15.33% under Written Down Value Method and 5.28% under Straight Line Method) in respect of Plant and Machinery utilised for the manufacture of Decake and Solvent Extracted Oils installed at the Company's Jamnagar Unit by considering the aforesaid Plant and Machinery as Continuous Process Plant as defined in Schedule XIV to the Companies Act, 1956.		
(c) Depreciation for the year is provided on the revalued cost of Assets and is charged to the Profit and Loss Account.		
(d) The difference of Rs.1,652,255/- (Previous Year Rs.1,743,727/-) between depreciation provided for the year on revalued cost of assets and that calculated on original cost of assets for the year has been withdrawn from Revaluation reserve and credited to the Profit and Loss Account.		
4 Payments to Auditors :		<u>Previous Year Rupees</u>
(a) As Auditors	5,00,000	4,00,000
(b) In any other manner (Certification work etc.)	2,00,000	1,49,500
(c) As Expenses	-	3,283
(d) For Service tax	72,100	77,450
TOTAL	<u>7,72,100</u>	<u>6,30,233</u>
5 Managerial Remuneration under section 198 of the Companies Act, 1956 :		
To Managing Directors :		
(i) Salaries	6,93,312	9,01,974
(ii) Perquisites in cash or in kind	4,36,543	4,14,135
(iii) Contribution towards Provident Fund and Other Funds	76,800	86,400
(iv) Gratuity	20,192	34,616
TOTAL	<u>12,26,847</u>	<u>14,37,125</u>

NOTE : Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 has not been given, as commission is not payable for the year to the Managing Directors.

6 As per Information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that Basis.

INDIAN EXTRACTIONS LIMITED

7. Earnings per share is calculated by dividing the (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under -	Rupees	Previous Year Rupees
(Loss) attributable to equity shareholders	(3,06,75,026)	(1,36,89,110)
Weighted average number of shares outstanding during the year	33,37,633	33,37,633
Basic / Diluted Earnings per share	(9.19)	(4.10)
Nominal value per share	10	10
8. Components of deferred tax assets/(liabilities) are as under :-	Rupees	Previous Year Rupees
Depreciation	(94,93,537)	((47,76,081)
Provision for Doubtful Debts and Advances	6,52,148	6,52,148
Provision for Gratuity	5,88,065	10,43,664
Disallowance under the Income-Tax Act, 1961	1,68,490	1,05,112
Total	(80,84,834)	(29,75,157)

The Company also has unabsorbed depreciation and carry-forward losses aggregating to Rs.87197558/- (Previous year Rs.41247702/-), which if considered above will result into a net deferred tax asset. However, considering the present financial position and the requirement of the accounting standard regarding certainty/virtual certainty, the Company has considered deferred tax asset to the extent of the deferred tax liability as aforesaid hence has not accounted for the net deferred tax assets as at the year-end.

9. The post of Company Secretary has been vacant throughout the year. The Company is in the process of recruiting a whole time Company Secretary as required by section 383A of the Companies Act, 1956 and has issued advertisements during the year at regular intervals, requesting applications thereof.
10. The disclosure as required under Accounting Standard 15 (Revised 2005) on Employee Benefits" (AS 15 R) regarding the company's gratuity plan is as follows:

Particulars	March 31, 2010 Rupees	March 31, 2009 Rupees
i) Change in the Defined Benefit Obligation for Gratuity		
Projected Benefit Obligation at the Beginning of the year	62,07,822	4,114,188
Service Cost	3,07,807	2,77,684
Interest Cost	4,79,921	3,38,238
Actuarial (Gains)/Loss	(18,61,092)	18,05,512
Benefits paid	(10,33,226)	(3,27,800)
Projected Benefit Obligation at the end of the year	41,01,232	62,07,822
Defined Benefit Obligation liability for Gratuity as the Balance Sheet date is wholly funded by the Company		
ii) Change in the Plan Assets		
Fair value of the Assets at the beginning of the year	31,07,215	28,24,969
Expected returns on plan Assets	2,37,485	2,39,390
Contribution	3,77,955	3,31,300
Benefits paid	(10,33,226)	(3,27,800)
Actuarial Gain / (Loss) on Planned Assets	58,271	39,356
Fair value of plan asset at the end of the year	27,47,700	31,07,215
iii) Gratuity cost for the year		
Service cost	3,07,807	2,77,684
Interest cost	4,79,921	3,38,238
Expected return on plan assets	(2,37,485)	(2,39,390)
Actuarial (Gains)/Loss	(19,19,363)	17,66,156
Net periodic Gratuity cost	(13,69,120)	21,42,688
iv) Actual Return on Plan assets		
Expected Return on Plan assets	2,37,485	239,390
Actuarial Gain/(Loss) on Plan assets	58,271	39,356
Actual Return on Plan assets	2,95,756	278,746
(v) Assumptions: -		
Discount rate	8.25%	8.00%
Rate of increase in compensation levels of covered employees	5.00%	5.00%
Rate of return on Plan Assets	8.00%	8.00%
vi) Major category of Plan Assets as a percentage of total Plan assets		
Insurer Manager Funds	100%	100%



11. Related Party Disclosures

(a) Name of the related party	Nature of relationship
Shri S. B. Jhaveri Shri P. S. Jhaveri	Key management personnel
Shri S. P. Jhaveri	Relative of Key management personnel
Pathalo Colours & Chemicals (I) Ltd. Nanavati Sons Private Ltd. Nanavati Electronics Private Ltd. Sonera Investment Private Ltd. Sonega Traders & Investment Pprivate Ltd. Nanavati Chemex Private Ltd. Medchem Technologies Private Ltd. Nanavati Speciality Chemicals Private Ltd.	Enterprises over which key management personnel are able to exercise significant influence

(b) Transactions with the related parties during the year

Nature of transactions	Key management personnel	Enterprises over which key management personnel are able to exercise significant influence	Rupess Total
Miscellaneous Expenses			
Nanavati Speciality Chemicals Pvt. Ltd.	---	2,01,953	2,01,953
	(---)	(1,73,290)	(1,73,290)
Nanavati Electronics Pvt. Ltd.	(---)	72,000	72,000
	(---)	(60,000)	(60,000)
Rent			
Nanavati Sons Pvt. Ltd.	---	47,113	47,113
	(---)	(54,528)	(54,528)
Salaries, Wages & Bonus	64,998	---	64,998
Nanavati Sons Pvt. Ltd.	(2,08,536)	(---)	(2,08,536)
Loan Received			
Phthalo Colours and Chemicals (I) Ltd.	(---)	(50,00,000)	(50,00,000)
Nanavati Sons Private Ltd.	---	25,00,000	25,00,000
	(---)	(---)	(---)
S. B. Jhaveri	18,00,000	---	18,00,000
	(---)	(---)	(---)
P. S. Jhaveri	90,00,000	---	90,00,000
	(1,25,00,000)	(---)	(1,25,00,000)
Loan Repaid			
Phthalo Colours and Chemicals (I) Ltd.	(---)	(50,00,000)	(50,00,000)
S. B. Jhaveri	3,00,000	---	3,00,000
	(---)	(---)	(---)
P. S. Jhaveri	---	---	---
	(---)	(---)	(---)
Remuneration to key Management Personnel - Managerial remuneratrion			
S. B. Jhaveri	6,32,641	---	6,32,641
	(8,67,315)	(---)	(8,67,315)
P. S. Jhaveri	5,94,205	---	5,94,205
	(5,69,810)	(---)	(5,69,810)
Interest Paid			
Nanavati Saons Private Ltd.	---	95,822	95,822
	(---)	(---)	(---)
S. B. Jhaveri	62,424	---	62,424
	(---)	(---)	(---)
P. S. Jhaveri	12,49,822	---	12,49,822
	(---)	(---)	(---)
Sales of 14% Cumulative Redeemable Preference Share of Phthalo Colours & Chemicals (I) Ltd.			
P. S. Jhaveri	(---)	(---)	(---)
	(1,00,00,080)	(---)	(1,00,00,080)
Sales			
Phthalo Colours & Chemicals (I) Ltd.	---	4,36,05,901	4,36,05,901
	(---)	(1,56,18,367)	(1,56,18,367)
Recovery of Expenses			
Phthalo Colours & Chemicals (I) Ltd.	---	2,68,203	2,68,203
	(---)	(2,22,282)	(3,80,188)
Outstanding as at year end			
Receivables			
	---	2,93,26,327	2,93,26,327
	(---)	(---)	(---)
Payables			
	(1,36,76,729)	(34,010)	(1,37,10,739)
Unsecured Loan			
S. B. Jhaveri	15,00,000	---	15,00,000
	(---)	(---)	(---)
P. S. Jhaveri	2,15,00,000	---	2,15,00,000
	(1,25,00,000)	(---)	(1,25,00,000)
Nanavati Sons Private Limited	---	25,00,000	25,00,000
	(---)	(---)	(---)

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12. Segment Information :

I) Segment Information for primary reporting (by business segment)

The company has only one reportable business segment, i. e., processing expeller oilcakes for producing solvent extracted refined oil and hence disclosures for primary segment are not given.

II) Secondary : Geographical (Location of customers) (Rupees)

		Export	Local	Total
A	Revenue (Turnover)	67,14,206 (9,74,36,405)	79,70,89,346 (60,09,24,705)	80,38,03,552 (69,83,61,110)
B	Carrying amount of assets	--- (47,31,206)	42,24,38,877 (37,58,51,109)	42,24,38,877 (38,05,82,315)
C	Additions to fixed assets (including CWIP)	--- ---	3,97,09,523 (4,55,47,887)	3,97,09,523 (4,55,47,887)

Note : a) Segregation of assets (except sundry debtors) into secondary segments has not been done as all the assets are located and used in India and the Company is of the view that it is not practical to reasonably allocate such assets and an ad-hoc allocation will not be meaningful. Consequently, the carrying amounts of assets (except for sundry debtors) by location of assets are not given.
b) Figures in the bracket pertain to the figures of the previous year.

13. Additional information pursuant to the provisions of paragraphs 3,4C & 4D of part II to the Schedule VI to the Companies Act 1956.

	Quantity M.T	Value Rupees	Previous Year	
			Quantity M. T.	Value Rupees
A. Turnover				
De-oiled Cakes	24,389	37,49,20,798	38,602	46,57,84,236
Solvent Extracted Oils	2,281	13,89,37,375	2,551	15,61,24,229
Expeller Oils Refined/Soyabean Degummed Oil	5,499	24,23,50,558	1,048	4,78,96,642
Copper Scrap	84	2,67,13,130	42	1,56,18,367
Seeds	103	23,80,926	483	1,04,18,821
Phthalic Anhydride	298	1,64,87,307	---	---
Others		20,13,458		25,18,815
		<u>80,38,03,552</u>		<u>69,83,61,110</u>
B. Goods Traded in Purchases				
De-oiled cakes	1,046	1,11,31,325	2,014	1,99,22,679
Solvent Extracted Oils	249	1,46,65,894	150	85,02,016
Expeller Oils Refined/Soyabean Degummed Oil	3,528	13,65,38,835	928	4,00,28,516
Seeds	103	22,65,823	483	83,42,660
Copper Scrap	84	2,64,33,131	42	1,53,12,125
Phthalic Anhydride	298	1,62,62,022	---	---
		<u>20,72,97,030</u>		<u>92,107,996</u>
C. Raw Materials Consumed (Net of sales)				
Oilcakes	24,789	41,65,44,112	36,253	46,26,00,175
Expeller Oils	2,911	13,53,90,261	157	88,05,120
Others		49,30,752		92,82,585
		<u>55,68,65,125</u>		<u>48,06,87,880</u>

	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	M. T.	Rupees	M. T.	Rupess	M.T.	Rupess	M.T.	Rupess
D. Stocks								
De-oiled Cakes	2,470	3,33,25,694	2,534	4,89,55,416	4,939	5,59,10,536	2,470	3,33,25,694
Solvent Extracted Oils	33	18,90,362	85	48,91,959	162	1,09,51,809	33	18,90,362
Expeller Oils	24	8,28,379	512	2,04,43,578	-	-	24	8,28,379
Others		1,17,042		146,868		1,57,320		1,17,042
		<u>3,61,61,477</u>		<u>7,44,37,821</u>		<u>6,70,19,665</u>		<u>3,61,61,477</u>



E. Capacity and Production

Licensed Capacity	Not Applicable	Previous Year
Installed Capacity (As certified by the management) Extraction Plant	300 MTs per day	Not Applicable
<u>Production</u>	<u>Quantity M. T.</u>	<u>Quantity M. T.</u>
De-oiled Cakes	23,407	34,119
Solvent Extracted Oils	2,084	2,272
Expeller Oils Refined	2,459	145
	Rupess	Rupess

F. **Value of Imports on CIF basis in respect of Traded Goods** **4,27,50,883** 1,53,12,156

G. **Expenditure in Foreign Currency:**
Other matters -(Travelling expenses, Bank Charges, Membership Fees etc.) **8,50,113** 8,72,200

H. **The amount of exchange Difference (including Forward Cover contract) included in the Profit and Loss account for the year is:**

a. Exchange gain	6,86,860	6,96,660
b. Exchange Loss	1,15,039	2,77,879

- a. The Company enters into foreign exchange forward contract to offset the foreign currency risk arising from the amount denominated in currencies other than the Indian Rupees. The counter party to the companies foreign currency forward contract is generally a bank.
- b. Amount receivables in foreign currency on account of the following :

	2010	2009	2010	2009
	In Rupees		In foreign Currency	
Debtors	---	46,46,700	---	\$90,000

- c. The year end foreign currency expenses that have not been hedged by a derivative instrument or otherwise are given below :

	2010	2009	2010	2009
	In Rupees		In foreign Currency	
Debtors	---	1,45,706	---	\$ 2,860
Creditors	2,97,20,406	---	6,60,012	---

I. **Earnings in Foreign Exchange :**

Export of Goods on FOB basis **62,95,998** 9,09,04,992

14. The accumulated losses of the Company have substantially eroded the net-worth of the Company as at the year-end.

However, the Company with the new refinery in place, has successfully entered into the market with Refined Cotton Seed Oil and Refined Soya Oil, besides the traditional solvent extracted groundnut oil and refined groundnut expeller oil. The company is also in the process of introducing different edible oils like Soya, Rapeseed, Palm etc. in the market in a phased manner under its established brand name 'Diamond' with a view to broaden product mix and also for better margins. In addition, the company has also started trading activity and is exploring new possibility for trading into commodities and chemicals. The Company has activated the process of selling its vacant surplus land, the proceeds of which will be deployed to improve the liquidity position of the company for better business operations. The Company has also implemented various cost cutting, control and saving measure, which will benefit the company in a long run.

The aforesaid efforts are expected to result in increase in revenue and in-turn profitability of the Company in the coming years. Accordingly, the accounts of the Company are prepared on a going concern basis which is dependent upon development of and growth in business as envisaged.

Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

SIGNATURES TO SCHEDULES 1 TO 18

As per our attached Report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

A. B. Jani
Partner
MUMBAI
DATED : 29th May, 2010

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Joint Managing Director

MUMBAI
DATED : 29th May, 2010

ANAND R. DALAL
ASIT D. JAVERI
AMIT B. SHAH
ANKUR M. MANECK
Directors

15. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT. 1956



Balance Sheet Abstract and Company's General Business Profile.

I Registration Details
 Registration No. : 09720 State Code : 11
 Balance Sheet Date : 31.03.2010

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue						Rights Issue					
		-	-	-				-	-	-	
Bonus Issue						Private Placement					
		-	-	-				-	-	-	

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities						Total Assets							
	3	8	0	5	8	2		3	8	0	5	8	2

Source of Funds

Paid-Up Capital						Reserves and Surplus							
	3	3	3	7	6		1	5	7	9	1	3	
Secured Loans						Unsecured Loans							
	1	7	3	2	5	2			3	6	7	1	5
Deferred Tax Liability (net)													
			N	I	L								

Application of Funds

Net Fixed Assets						Investments								
	2	1	9	9	4	6			-	-	-			
Net Current Assets						Accumulated Losses								
		1	3	2	2	4	7			4	9	0	6	3
Miscellaneous Expenditure														
			N	I	L									

IV. Performance of Company (Amount in Rs. Thousands)

Turnover						Total Expenditure										
	8	0	3	8	0	3		8	7	2	5	2				
+ - (Loss) / Profit Before Tax						+ - (Loss) / Profit after Tax										
				(3	0	6	6	5)				(3	0	6	7	5)
Earning per Share						Dividend Rate %										
						NIL										

V. Generic Names of Principal Products / Services of the Company [as per monetary terms]

Item Code No. [ITC Code]	2	3	0	5	0	0	-	0	2							
Product Description :	O	I	L	-	C	A	K	E	M	E	A	L	O	F		
	G	R	O	U	N	D	N	U	T	S	O	L	V	E	N	T
	E	X	T	R	A	C	T	E	D	V	A	R	I	E	T	Y
	(D	E	F	A	T	T	E	D)						
Item Code No. [ITC Code]	1	5	0	8	9	0	0	9	-	0	1	0				
Product Description :	G	R	O	U	N	D	N	U	T	O	I	L	O	F		
	E	D	I	B	L	E	G	R	A	D	E					
Item Code No. [ITC Code]	2	3	0	4	0	0	-	0	3							
Product Description:	O	I	L	-	C	A	K	E	M	E	A	L	O	F		
	S	O	Y	A	B	E	A	N	S	O	L	V	E	N	T	
	E	X	T	R	A	C	T	E	D	V	A	R	I	E	T	Y

INDIAN EXTRACTIONS LIMITED

REGD. OFFICE : NANAVATI MAHALAYA, 18, HOMI MODI STREET, FORT, MUMBAI - 400 001.



ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member/Proxy (In Block Letters)	Membership Folio No.
	No. of Shares held

I hereby record presence at the 54th ANNUAL GENERAL MEETING of the Company being held on WEDNESDAY, the 23rd September, 2010 at 3.30 p. m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.

Member's / Proxy's Signature
(To be signed at the time of handing over the slip)

----- TEAR HERE -----

INDIAN EXTRACTIONS LIMITED

REGD. OFFICE : NANAVATI MAHALAYA, 18, HOMI MODI STREET, FORT, MUMBAI - 400 001.



FORM OF PROXY

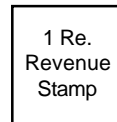
I/We _____
of _____
being a Member/Members of the above name Company, hereby appoint _____
_____ or failing him/her _____
_____ of _____

as my/our proxy to vote for me/us on my/our behalf at the 53rd ANNUAL GENERAL MEETING of the Company to be held on WEDNESDAY, the 23rd September, 2010 at 3.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai 400 001 and at any adjournment thereof.

Signed this _____ day of _____ 2009

Membership Folio No. _____

No. of Shares held _____



Important :

- (a) Revenue Stamp of 1 Re. is to be affixed on this form.
- (b) The form should be signed across the stamp as per specimen signature registered with the Company.
- (c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting at Registered Office of the Company situated at Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai 400 001.
- (d) A proxy need not be a Member.

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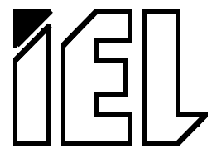
BOOK-POST



If undelivered Please Return to:

INDIAN EXTRACTIONS LIMITED

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



INDIAN EXTRACTIONS LIMITED

54th ANNUAL REPORT

2009 - 2010