

INDIAN EXTRACTIONS LIMITED

**56Th ANNUAL REPORT
2011 - 2012**

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INDIAN EXTRACTIONS LIMITED



DIRECTORS : SHRI SHANTILAL B. JHAVERI
Chairman and Managing Director

: SHRI PRIYAM S. JHAVERI
Joint Managing Director

: SHRI ANAND R. DALAL

: SHRI ASIT. D. JAVERI

: SHRI AMIT B. SHAH

: SHRI ANKUR M. MANECK

COMPANY SECRETARY : SHIVANGI DAVE

AUDITORS : M/s. THINGA & CONTRACTOR
CHARTERED ACCOUNTANTS

BANKERS : UNION BANK OF INDIA

STATE BANK OF INDIA

ANDHRA BANK

COMMERCIAL CO-OP. BANK LTD.

STATE BANK OF BIKANER & JAIPUR

THE LAKSHMI VILAS BANK LTD.

HDFC BANK LTD.

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

FACTORY : PANDIT NEHRU MARG,
JAMNAGAR - 361 002.



NOTICE

NOTICE is hereby given that the **Fifty-Sixth Annual General Meeting of INDIAN EXTRACTIONS LIMITED** will be held on **Monday, 24th September, 2012, at 3.45 p.m.**, at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Fort, Mumbai - 400 001, to transact the following business:

GENERAL BUSINESS:

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31st March, 2012.
2. To appoint a Director in place of Shri Asit Javeri Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Amit Shah, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration.

SPECIAL BUSSINESS:

5. To consider and if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shantilal B. Jhaveri as the Managing Director of the Company for the period of 5 years (Five years) with effect from 1st April, 2012 on the terms and conditions including remuneration as recommended by the remuneration committee and also approved by the Board in their meeting held on 14th February, 2012 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Shantilal B. Jhaveri, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the remuneration committee or other committee as duly constituted by the Board of Directors) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement subject to same



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

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

"FURTHER RESOLVED THAT the board be and is hereby authorized to take all such steps as may be necessary, proper, required or expedient to give effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September 2012 to 24th September 2012 (both days inclusive).
3. Members are requested to
 - (i) immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.
 - (ii) write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. The Members are requested to dematerialise their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.



6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
7. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the **Company/Share Transfer Agents** alongwith the relevant Share Certificates for consolidation of such Folios in one Folio.
8. As per requirement of Clause 49 VI(A) of the Listing Agreement with Stock Exchange, the particulars of Directors retiring by rotation and eligible for re-appointment are given in the Corporate Governance Section to this Annual Report.
9. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By order of the Board
For INDIAN EXTRACTIONS LIMITED

6th August 2012, Mumbai

Shivangi Dave
Company Secretary



ANNEXURE TO THE NOTICE

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

1. Resolution No.5

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

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

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

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

**Remuneration****1. Salary:**

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

2. Commission:

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

3. Perquisites:

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



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

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

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

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

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

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

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



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

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

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

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

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

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



Additional information for the shareholders, as required under schedule XIII to the Companies Act, 1956 and to the extent applicable to the company / appointees are given below:

1. GENERAL INFORMATION:

- i) Nature of Industry: Solvent extraction & refinery, will be diversifying into new areas
- ii) Date or expected date of commencement of commercial production: commenced commercial production during 1956-57, as mentioned in the board of directors report the Company has exited from solvent extraction and refinery business manufacturing activity during financial year 2011-12 and entering into new business areas.
- iii) Financial performance based on given indicators: as per published audited financial results for the year ended 31st March ,2012:

| Particulars | Rs. In lacs. |
|---|-----------------|
| Sales and other income | 987.99 |
| Profit before tax | 4.37 |
| Provision for tax | -- |
| Profit as computed under section 349(5) read with section 198. | (335.09) |

- iv) Export performance and net foreign exchange earned for the financial year ended 31st March ,2012: FOB value of exports Rs. 1,81,07,370.

2. INFORMATION ABOUT THE APPOINTEES :

- i) Background details :

Shri Shantilal B. Jhaveri aged 90 years is B. A. with Economics having rich experience in the areas of oil extraction, chemical industry, solvent oil extraction industry, commodity trading, health care, education and philanthropic activities. He is the key promoter of the company and associated with the company since its incorporation. He heads the entire business operation of the company.



ii) Past remuneration drawn :

| Year | Mr. S. B. Jhaveri |
|-----------|-------------------|
| 2009-2010 | 6,32,641 |
| 2010-2011 | 4,82,825 |
| 2011-2012 | 4,17,999 |

iii) Job profile and suitability :

Shri S. B. Jhaveri has been entrusted with the overall responsibility of the company. Under his direction and supervision the management team of the Company manages the business. He is the promoter of the Company and one of the pioneers in India to start extraction unit. Also under his dynamic leadership the Company has sustained in the difficult business environment and successfully worked out plan for diversifications and repayment of debts.

iv) Remuneration proposed :

The remuneration package is given in detail in the explanatory statement. However, the same is summarized hereunder:

| Sr. No. | | Shri S. B. Jhaveri |
|---------|--------------------------|---|
| a) | Salary | Rs. 1,00,000/- p.m. |
| b) | Perquisites & Allowances | the total perquisites value is subject to maximum ceiling of 50% of annual consolidated salary |
| c) | Commission | Such percentage of the net profits of the company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each financial year |



| | | |
|----|---|---|
| | | or part thereof within the overall ceiling of 5 % of the net profit of the company |
| d) | Minimum Remuneration in case of inadequacy of profits during any financial year | In the absence or inadequacy of profits in any financial year, the aforesaid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in schedule XIII shall be payable to Shri Shantilal B. Jhaveri, as a minimum remuneration |

- v) Comparative remuneration profile with respect to industries, size of the company, profile of the position person:

Taking into consideration the size of the Company, the profile of Shri Shantilal B. Jhaveri with his experience, expertise and responsibilities shouldered by him and in comparison with industry benchmarks, the aforesaid remuneration package is comparable and reasonable to senior level position in other companies of similar scale.

- vi) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel:

Besides the remuneration proposed Shri S. B. Jhaveri do not have any other pecuniary relationship with the company and its managerial personnel. However, Shri Shantilal B. Jhaveri is holding equity shares of the Company.



3. OTHER INFORMATION

i) Reasons for loss / inadequate profits:

The solvent extraction industry has faced another difficult year and particularly for such Companies carrying manufacturing operating into Saurashtra belt of Gujarat found it very difficult to run plants due to low availability of groundnut crops. Your Company was also not an exception to various other uncontrollable variables like disparity in the pricing, volatile foreign exchange, low availability of feedstock, bumper crop in US, Brazil, Argentina etc. resulting into supply at a below cost price in the international market etc. and it was difficult to carry viable business operations. Also it was practically impossible for the Company to run our size of solvent extraction unit and refinery. Government policy to permit huge import of refined oil from neighboring countries, farmers preference for other crop over groundnut, diversion of groundnut crop for use as eatable thereby restricting availability for crushing and refinery use etc. factors has resulted operations for stand alone solvent extraction unit and related refinery practically difficult and unviable. All these adverse factors has resulted into very limited plant utilizations during last couple of years and resulted into continuous losses during last couple of years and that too during financial year 2011-12.

ii) Steps taken by the company to improve performance:

The management has charted out future plans for the Company post exit from the solvent extraction and refinery business to support sustainable long term business model for the Company and also to protect and enhance shareholders value. The Company has undertaken systematic study for entering into the business of Chemical exports, Commodity trading, Groundnut trading, Warehousing and Merchant exports business and barring unforeseen circumstances the management is expect to enter into the same in due course in a focused manner.

iii) Expected increase in productivity and profits and measurable terms.

New areas of diversification are expected to start yielding favourable results during coming financial years.

4. DISCLOSURES:

The detail of the remuneration package of Shri Shantilal B. Jhaveri is given in the explanatory statement hereinabove and the same is contained in the respective draft agreement with him which is open for inspection as mentioned hereinabove. Shri Priyam S. Jhaveri, Jt. Managing Director has

INDIAN EXTRACTIONS LIMITED



forgone his remuneration due to losses. Other directors are paid no remuneration except sitting fees for the meeting of the board and committee thereof. All the components of the remuneration are fixed except commission to Shri Shantilal B. Jhaveri which will be decided by the performance of the company. The appointment is contractual and provides for notice period. No stock option has been given to him.

Your director recommends this resolution for your approval.

None of the directors except Shri Shantilal B. Jhaveri and Shri Priyam S. Jhaveri are concerned or interested in the resolution.

**By order of the Board
For INDIAN EXTRACTIONS LIMITED**

6th August 2012, Mumbai

**Shivangi Dave
Company Secretary**



DIRECTORS' REPORT

To,
The Members,
INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 56th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

| | Current Year Rs. | Previous Year Rs. |
|--|------------------------|-------------------------|
| Loss for the year before providing for Depreciation and interest and exceptional items | (80,46,736) | (41,99,842) |
| Less: Interest | (2,06,29,852) | (2,23,53,781) |
| Less: Depreciation | (21,46,205) | (69,99,591) |
| Loss after Depreciation | (3,08,22,793) | (3,35,53,224) |
| Add: Exceptional Income | 3,12,59,990 | 3,84,72,000 |
| Provision for taxation | -- | -- |
| Profit after tax | 4,37,197 | 49,18,776 |
| Accumulated loss brought forward from previous year | (4,41,44,645) | (4,90,63,421) |
| Profit & Loss a/c amount carried forward to balance sheet | (4,37,07,448) | (4,41,44,645) |

DIVIDEND:

Your Directors express their inability to recommend declaration of any dividend for the year ended 31st March, 2012 due to losses.

OPERATIONS:

The solvent extraction industry has faced another difficult year and particularly for such Companies carrying manufacturing operating into Saurashtra belt of Gujarat found it very difficult to run plants due to low availability of groundnut crops. Your Company was also not an exception to various other uncontrollable variables like disparity in the pricing, volatile foreign exchange, low availability of feedstock, bumper crop in US, Brazil, Argentina etc. resulting into supply at a below cost price in the international market etc. and it was difficult to carry viable business operations. Also it was practically impossible for the Company to run our size of solvent extraction unit and refinery. Government policy to permit huge import of refined oil from neighboring countries, farmers preference for other crop over groundnut, diversion of groundnut crop for use as eatable thereby restricting availability for crushing and refinery use etc. factors has resulted operations for stand alone solvent extraction unit and related refinery practically difficult and unviable. All these adverse factors has resulted into very limited plant utilizations during last couple of years and resulted into continuous losses during last couple of years and that too during financial year 2011-12.



Considering the prolonged situation and with a view to protect stakeholders' value, the management has completely stopped the manufacturing unit for solvent extraction and refinery and exited from its core business of solvent extraction and refinery. Also to cut losses and repay banking liabilities, the assets of manufacturing business being land, building, plant & machinery and brand name are sold during the current financial year and the proceeds of the same has been utilized to repay banking debt. As on date of report, the Company is having only outstanding debt of Rs. 936.56 lacs from Union Bank of India and the same will be repaid very shortly. The promoters have also infused funds as Zero Coupon Convertible Preference Shares to partly fund losses as well as meet bank debt repayments. The same has been communicated earlier by the board and also necessary approvals from stakeholders have been availed.

During the year the Company was not able to process any Solvent Extractions and edible oil due to non availability of feedstock and viability of business as compared to that in previous year 5557 MT of Solvent Extractions and 6106 MT of edible oil was processed. The management has also sold its stock and also carried out chemical exports which have supported to keep operations of the Company going on.

The Company operations resulted in a turnover of Rs. 9.80 Cr as against Rs. 83.22 Cr for the previous year. The loss before interest and depreciation amounted to Rs. 80.47 lacs as against Rs. 41.99 Lacs in the previous year.

However due to an exceptional item of sale of land, building, plant & machinery and brand name the Company earned net exceptional income of Rs. 312.60 Cr. and recorded a profit of Rs. 4.37 Lacs.

PROSPECTS & DEVELOPMENTS:

The management has charted out future plans for the Company post exit from the solvent extraction and refinery business to support sustainable long term business model for the Company and also to protect and enhance shareholders value. The Company has undertaken systematic study for entering into the business of Chemical exports, Commodity trading, Groundnut trading, Warehousing and Merchant exports business and barring unforeseen circumstances the management is expect to enter into the same in due course in a focused manner to yield benefits from the same.

The Board and the Management of the Company are confident of getting diversified into new business areas in due course with a view to enhance stakeholder's value and create sustainable business model for the future of the Company.

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.

DEPOSITS:

There were no overdue Fixed Deposits and all fixed deposits were repaid on due date and no new deposits have been accepted.

INSURANCE:

All the properties and insurable interest of the Company 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;



- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- iv) the Directors have prepared the Annual Accounts on a "Going Concern" basis.

EXPLANATION ON AUDITORS REPORT:

The notes to the accounts referred to in the Auditors Report are 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 draw attention to note 4(e) to the notes to accounts which is self explanatory.

AUDITORS:

You are requested to reappoint Auditors and fix their remuneration.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continued support received from shareholders, vendors, depositors of the Company and Union Bank of India. The Directors also wish to record their appreciation of the employees at all levels for their committed efforts and contribution during the difficult phase of the Company.

For and on behalf of the Board

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR

Place : MUMBAI
Dated: 24th May, 2012



ANNEXURE-I TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

For Indian Extractions Limited, Corporate Governance is about credibility, transparency and accountability of the Board and Management towards shareholders and other investors of the Company. We believe that Corporate Governance is not an end in itself but is a catalyst in the process towards enhancement of shareholder value. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. 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 maximize shareholders value, such that

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

We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal control.

Board of Directors:

A. Composition of the Board:

As on March 31, 2012 the Board comprised of Six (6) Directors as under:

| | | | |
|---------------------------|--------------|---------------|------------------------------|
| Shri Shantilal B. Jhaveri | Promoter | Executive | Chairman & Managing Director |
| Shri Priyam S. Jhaveri | Promoter | Executive | Jt. Managing Director |
| Shri Anand R. Dalal | Non Promoter | Non Executive | |
| Shri Asit D. Javeri | Non Promoter | Non Executive | |
| Shri Amit B. Shah | Non Promoter | Non Executive | |
| Shri Ankur M. Maneck | Non Promoter | Non Executive | |

The composition of the Board is in conformity with the Listing Agreements. All the directors bring with them rich and varied experience in different facets of the corporate functioning. They play an active role in the meetings of the Board and committee.

**B. Tenure:**

Shri Shantilal B. Jhaveri Promoter and Executive Chairman & Managing Director of the Company who has been longest in office. His terms as Managing Director ended on 31st March, 2012 and subject to the approval of the shareholders in the ensuing general meeting the Board has reappointed him as Managing Director of the Company.

Shri Priyam S. Jhaveri was reappointed as Jt. Managing Director of the Company by the Board of Directors on 4th September, 2008 for a period of 5 years.

Shri Anand R. Dalal and Shri Ankur M. Maneck has been reappointed as director of the Company on 22nd September, 2011. Shri Asit D. Javeri and Shri Amit B. Shah are liable to retire by rotation at the ensuing annual general meeting and being eligible offered them for reappointment.

C. Board Meetings:

During the Financial year 2011- 12, seven (7) meetings of Board of Directors were held on the following days:-

6th May, 2011, 27th May, 2011, 11th August, 2011, 22nd September, 2011, 14th November, 2011, 21st November, 2011 and 14th February, 2012.

Annual General Meeting was held on 22nd September, 2011.

The Attendance of each director at these meetings was as under:

| Directors | Number of Meetings | | Attendance at the last Annual General Meeting |
|--------------------------|--------------------|----------|---|
| | Held | Attended | |
| Mr. Shantilal B. Jhaveri | 7 | 6 | Yes |
| Mr. Priyam S. Jhaveri | 7 | 7 | Yes |
| Mr. Asit D. Javeri | 7 | 6 | Yes |
| Mr. Anand R. Dalal | 7 | 5 | No |
| Mr. Amit B. Shah | 7 | 6 | Yes |
| Mr. Ankur M. Maneck | 7 | 6 | No |

D. Code of Conduct for Board Members and Senior Management:

The Company has laid down a code of conduct for all the Board Members and Senior Management of the Company, which has been circulated to all concerned executives through email as well as by circulation through hard copies. All board members and designated Senior Management Personnel have affirmed compliance with the Code of Conduct.

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.



E. Service Contract and Severance Fees:

The appointment of Shri Shantilal B. Jhaveri, Chairman & Managing Director and Shri Priyam S. Jhaveri, Jt. Managing Director of the Company are governed by the resolutions passed by the Board of Directors and approved by the shareholders. Both are subject to managerial contract which covers the terms and conditions of such appointment together with remunerations.

Only non executive directors are paid sitting fees for attending the meetings of the Board of Directors.

The details of remuneration paid to the directors of the Company during the financial year 2011-2012 are as under:

| Directors | Remuneration paid/payable during 2011-2012 (Rs.) | | | | Shares held by Non-Executive Directors |
|-----------------------------|--|------------------|------------|-----------------|--|
| | Sitting Fees | Salary & Perks | Commission | Total | |
| Shri Shantilal B. Jhaveri * | NIL | 4,17,999 | NIL | 4,17,999 | N.A. |
| Shri Priyam S. Jhaveri * # | NIL | NIL | NIL | NIL | N.A. |
| Shri Asit D. Javeri | 9,000 | NIL | NIL | 9,000 | 4,700 |
| Shri Anand R. Dalal | 7,500 | NIL | NIL | 7,500 | 30,000 |
| Shri Amit B. Shah | 9,000 | NIL | NIL | 9,000 | NIL |
| Shri Ankur M. Maneck | 9,000 | NIL | NIL | 9,000 | 2,375 |
| Total: | 34,500 | #4,17,999 | NIL | 4,52,499 | |

* Not eligible for sitting fees, remuneration paid as per provisions of Section 217(2A) of the Companies Act, 1956 in terms of managerial contract approved by the board of directors and shareholders.

Shri Priyam S. Jhaveri has voluntarily foregone his remuneration in view of losses.

Stock Option Scheme: The Company does not have any stock option scheme for any of its director or employees.

F. Remuneration Committee:

The Company has constituted Remuneration Committee for the appointment, promotion and remuneration of executives.

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 |



The meetings of Remuneration Committee were held from time to time to conduct the business in relation with references as mentioned above from time to time as and when required.

The compensation grades of the senior managerial personnel are governed by the HR policies of the Company. Managerial remuneration is regulated in terms of Sec. 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956.

G. Number of Directorship/ Chairmanship held in other Companies as on March 31, 2012:

| 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 Committee 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 | 12 | 2 | 2 |
| 3 | Mr. Asit D. Javeri | Non-Executive, Independent | 10* | - | 5 |
| 4 | Mr. Anand R. Dalal | Non-Executive, Independent | 4 | - | - |
| 5 | Mr. Amit B. Shah | Non-Executive, Independent | 4 | - | - |
| 6 | Mr. Ankur M. Maneck | Non-Executive, Independent | 2 | - | - |

* including Foreign Company

H. Important items discussed at the Board Meetings:

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings during the financial year including:

1. Annual business plan including financial and operational plan
2. Quarterly financial results and Annual financial statements
3. Appointment of senior executives and their remunerations
4. Review of business
5. New business areas proposal and investment proposals
6. Sale of manufacturing unit of the Company and sale of land, building, plant & machinery and brand name
7. Considering restructuring and diversification plan of the Company
8. Materially important agreements, contracts and business correspondences
9. Review of banking limits and it's repayment plan
10. Minutes of meetings of all committees of the board
11. All kind of materially important Show cause, demand, prosecution notices and penalty notices
12. Related party transactions
13. All borrowings and investments of the Company

**I. Audit Committee:**

As required u/s.292A of the Companies Act, 1956 read with provisions 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 |

All the members of the Audit Committee are Independent Directors. The terms of reference of Audit Committee include inter alia systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/half yearly review of financial statements together with risk management and accounting policies. It also recommends appointment of statutory auditors, internal auditor, cost auditor, tax auditor and fixation of their fees. Mr. Ankur Maneck member of the audit committee is a Chartered Accountant and has financial and accounting knowledge. 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 as delegated by the Board of Directors from time to time.

Mr. Anil Kapoor, CEO of the Company and representatives of the firm of Statutory Auditor and Internal Auditor, are the permanent invitees to the meetings of the audit committee.

The composition and terms of reference of the Audit Committee are in conformity with the listing agreement and the Companies Act, 1956. All the minutes of the Audit Committee are placed before the Board for its information.

J. Shareholders / Investors Grievances Committee:

The Board has delegated the authority to approve transfer of shares to the Company Secretary of the Company and Committee of Directors for Share Transfer and Investor Grievances. As on 31st March 2012, the committee comprised of following:

| | | |
|---------------------|----------|----------------------------|
| 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 |

Information relating to Shareholders/Investor Complaints and all share transfers are regularly placed before the Committee.

INDIAN EXTRACTIONS LIMITED



There are no pending complaints/transfers. Also as on date there are no complaints which are not resolved to the satisfaction of Shareholders. The summary of status of complaints/request received, disposed and pending as on March 31, 2012 is as under:

| No. of complaints/request received | No. of complaints/request not solved to the satisfaction of shareholders/investors | No. of pending complaints/request |
|------------------------------------|--|-----------------------------------|
| 16 | NIL | NIL |

The minutes of Share Transfer and Shareholders/Investors Grievance Committee are placed before the Board for its information.

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.

Ms. Shivangi Dave, Company Secretary has been appointed as the Compliance Officer, as required by the Listing Agreement. She 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.

Disclosures:

- i) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in "Notes on Accounts" annexed to Financial Statements of the year. All related parties transactions are entered after approval from the board in accordance with the requirements of the Companies Act, 1956 and interested directors did not participated in the discussions or proceedings of the agenda of such transaction and the remaining board of directors has approved the transaction unanimously.
- ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.



- iii) 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. The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.
- iv) The Secretarial Department is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws and legal issues in general.
- v) As a matter of transparency and good governance, key operational and financial data is furnished to the Directors in every meeting of the Board. Management Discussions and Analysis report forming part of the Annual Report is enclosed.

Reconciliation of Share Capital

A qualified practicing Company Secretary carried out a Share Capital 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 audit confirms 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.

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 Bombay Stock Exchange.

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

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: 24th September, 2012 at 3.45 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 | 22 nd September, 2011 at 3.30 p.m. | 29 th September, 2010 at 3.30 p.m. | 23 rd September, 2009 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. |

a) Details of Extra Ordinary General Meeting:

| EGM Date | Time | Venue | Special Resolution(s) |
|--------------------------------|-----------|---|--|
| 21 st November 2011 | 3.30 p.m. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001. | <ol style="list-style-type: none"> Increase in authorized capital and alteration of Memorandum of Association Preferential Allotment u/s 81(1A) of the Companies Act, 1956 |



b) Details of Resolutions passed through Postal Ballot and voting details:

During the year 2011-12, following resolutions were duly passed through postal ballot on 10th January 2012 and for the conduct of postal ballot, Mr. Hemant Shetye, Practicing Company Secretary, was appointed as scrutinizer in terms of section 192A read with (Passing of Resolution by Postal Ballot) Rules, 2001

| 293 1(a) sale of undertaking | | | |
|---|------------------------------|--------------|------------------------------|
| Nature of Resolution: ORDINARY | | | |
| Result: Approved | | | |
| Particulars | Postal Ballot Forms received | No of Shares | % of Net valid postal ballot |
| Total Postal Ballot Forms received (A) | 70 | 1997177 | -- |
| Less: Invalid Postal Ballot Forms received (B) | 05 | (4000) | -- |
| Net Valid postal Ballot Forms (as per register) | 65 | 1993177 | 100 |
| Postal Ballot Forms with assent for Resolution | 54 | 1986527 | 99.67 |
| Postal Ballot Forms with dissent | 11 | 6650 | 0.33 |

Date of Book Closure: 17th September 2012 to 24th September 2012 (both days inclusive)

Financial Calendar:

| Unaudited Results with Limited Review for the Quarter | Due Date | Annual Audited Accounts | Due Date |
|---|---------------------------------|-----------------------------|---------------------------|
| 30 th June 2012 | 14 th August 2012 | 31 st March 2013 | 30 th May 2013 |
| 30 th Sept. 2012 | 14 th November, 2012 | | |
| 31 st Dec. 2012 | 14 th February, 2013 | | |

Dividend Payment:

Dividend Declared: NIL

Listing on Stock Exchange(s):

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

Stock Codes:

Security Code No. 524614 - Bombay Stock Exchange Limited.

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

**Stock Market Data:**

| Month/Year | Volume | Mumbai Stock Exchange | |
|----------------|--------|-----------------------|-----------|
| | Nos. | High (Rs.) | Low (Rs.) |
| April 2011 | 4186 | 5.42 | 4.61 |
| May 2011 | 80392 | 14.89 | 5.69 |
| June 2011 | 21187 | 12.82 | 7.89 |
| July 2011 | 9767 | 8.69 | 7.24 |
| August 2011 | 6240 | 11.11 | 8.00 |
| September 2011 | 6581 | 10.50 | 9.04 |
| October 2011 | 5372 | 9.40 | 8.08 |
| November 2011 | 6685 | 11.70 | 9.41 |
| December 2011 | 4843 | 10.82 | 9.05 |
| January 2012 | 8145 | 9.50 | 7.82 |
| February 2012 | 2538 | 7.93 | 6.80 |
| March 2012 | 2317 | 7.16 | 6.20 |

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 2012.

| 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 | 93489 | 2.80 |
| b Indian Public | 914525 | 27.40 |
| c NRI's/OCB's | 64600 | 1.94 |
| d Independent Directors & Relatives | 37900 | 1.14 |
| e Present Employees | 14300 | 0.43 |
| d Any other (Clearing Members) | 8086 | 0.23 |
| Grand Total | 3337633 | 100.00 |

Distribution of Share: Distribution of shareholding as on 31st March, 2012.

| Category | No. of Shareholders | % to Total No. of Shareholders | No. of Shares | % to Total Shares |
|--------------|---------------------|--------------------------------|----------------|-------------------|
| 1-500 | 2156 | 88.65 | 303604 | 9.10 |
| 501-1000 | 118 | 4.85 | 103601 | 3.10 |
| 1001-2000 | 75 | 3.08 | 111756 | 3.35 |
| 2001-3000 | 15 | 0.62 | 39093 | 1.17 |
| 3001-4000 | 10 | 0.41 | 35420 | 1.06 |
| 4001-5000 | 11 | 0.45 | 53100 | 1.60 |
| 5001-10000 | 19 | 0.78 | 144641 | 4.33 |
| above 10001 | 28 | 1.16 | 2546418 | 76.29 |
| Total | 2432 | 100.00 | 3337633 | 100.00 |

**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, 2012, 2607133 Equity Shares comprising of 78.11% of Paid-up Capital of the Company, have been dematerialized by the Investors and bulk of transfers take place in the demat segment.

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments. Also the Company has not raised any deposits from the public during the financial year 2011-12.

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 Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. |

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report, Quarterly, Half Yearly results etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with R&T agent, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

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, 2012.

For and on Behalf of the Board

S. B. JHAVERI
Chairman & Managing Director

Mumbai, Dated, 24th May 2012



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

| Name | Age | Educational Qualification | Experience | |
|--------------------|--------|---------------------------|---|---|
| Mr. Asit D. Javeri | 55 yrs | B. Sc. (Hon.) | Mr. Asit D. Javeri has over three decades of rich experience in chemical industry. He has also been associated and has experience of managing engineering and consultancy company. Since last over two decades he has been Managing Director of Sadhana Nitro Chem Limited. He has expertise in international marketing and managing efficiently the overall operation of chemical manufacturing company. | 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 | 54 yrs | M. Sc. M.B.A. | Mr. Amit B. Shah has over three decades of experience in areas of Administration, factory operations, sourcing and marketing. He has also been associated with Nanavati Group since last over 20 in various capacities. He is also Executive Director of Phthalo Colours & Chemicals (India) Limited. | The Board of Directors had first appointed Mr. 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 proposed to be 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"> 1. Sadhana Nitro Chem Limited 2. Premier Limited 3. Phthalo Colours & Chemicals (India) Limited 4. Lifestyle Networks Limited 5. Manekchand Panachand Trading Investment Co. Pvt. Ltd. 6. Anuchem B.V.B.A. 7. Chandra Net Pvt. Ltd. 8. Anuchem Pte Limited 9. Strix Wireless Systems Pvt. Ltd. 10. Strix System Inc. | <ol style="list-style-type: none"> 1. Sadhana Nitro Chem Limited <ol style="list-style-type: none"> a. Share Transfer Committee 2. Premier Automobiles Limited <ol style="list-style-type: none"> a. Shareholders/Investors Grievance Committee b. Remuneration Committee c. Audit Committee 3. Indian Extractions Limited <ol style="list-style-type: none"> a. Audit Committee b. Shareholders'/ Investors' Grievance Committee c. Remuneration Committee d. Share Transfer Committee 4. Phthalo Colours & Chemicals (India) Limited <ol style="list-style-type: none"> a. Audit Committee b. Amalgamation Committee |
| Mr. Amit B. Shah | <ol style="list-style-type: none"> 1. Phthalo Colours & Chemicals (India) Limited 2. Nanavati Speciality Chemicals Private Limited 3. Nanavati Chemex Private Limited 4. Medchem Technologies Private Limited | <ol style="list-style-type: none"> 1. Indian Extractions Limited <ol style="list-style-type: none"> a. Audit Committee b. Shareholders'/ Investors' Grievance Committee c. Remuneration Committee d. Share Transfer Committee |

For and on Behalf of the Board

Place: MUMBAI
Dated: 24th May 2012

S. B. JHAVERI
Chairman & Managing Director



AUDITORS' CERTIFICATE ON 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 financial year ended 31st March, 2012 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 an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2012 no investor grievances are pending against the Company as on 24th May, 2012 as per the records maintained by 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 THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
Membership No. 042562
Place: Mumbai
Date: 24 May, 2012.



MANAGEMENT DISCUSSION AND ANALYSIS

Solvent extraction industry in India is passing through various uncontrollable adverse situations and survival became core focus for industry. Due to huge import of refined oil from neighboring countries, farmers preference for other crop over groundnut, diversion of groundnut crop for use as edible thereby restricting availability for crushing and refinery use etc. factors has resulted operations for stand alone solvent extraction unit and related refinery practically difficult and unviable. Indian Extractions Limited one of the pioneers in India to venture into solvent extraction business is also not an exception to adverse situation. After successful running of the business of solvent extraction and refinery for more than five decades now its practically difficult to operate in the current environment and also with a view to cut losses and protect the stakeholders value beside long term sustainability the management of the Company has to decide to exit permanently from the manufacturing business of solvent extraction and refinery. The management with a philosophy to cut losses, build sustainable long term future for the Company and protect stakeholders value in the given difficult solvent extraction industry environment has to sell off its manufacturing assets being land, building, plant and machinery, brand name during the current financial year. Also for long term sustainability of the Company and improve the stakeholders value, the management is now focusing and actively considering to diversify into the business of chemicals export, trading in commodities, warehousing, trading in deoil cakes and groundnut seeds.

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 are 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 together with specific and general market cum business conditions.

During the financial year, the Company has only one reportable business segment i.e. solvent extractions and refined oil

INDUSTRY STRUCTURE AND DEVELOPMENT

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, 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. It was practically impossible for the Company to run our size of solvent extraction unit and refinery. The various adverse factors are uncontrollable and resulted into losses. Government policy to permit huge import of refined oil from neighboring countries, farmers preference for other crop over groundnut, diversion of groundnut crop for use as edible thereby restricting availability for crushing and refinery use etc. factors has resulted operations for stand alone solvent extraction unit and related refinery practically difficult and unviable. Considering the prolonged situation and with a view to protect stakeholders' value, the management has completely



stopped manufacturing unit for solvent extraction and refinery. Also to cut losses and repay banking liabilities, the assets of manufacturing business being land, building, plant & machinery and brand name are sold during the current financial year and the proceeds of the same has been utilized to repay banking debt. Further, the promoters have also infused funds as Zero Coupon Convertible Preference Shares to partly fund losses as well as meet bank debt repayments.

However, the management has sold its stock and also carried out chemical exports which have supported to keep operations of the Company going on. The management has charted out future plans for the Company post exit from the solvent extraction and refinery business to support sustainable long term business model for the Company and also to protect and enhance shareholders value. The Company has undertaken systematic study for entering into the business of Chemical exports, Commodity trading, Groundnut trading, Warehousing and Merchant exports and bearing unforeseen circumstances the management is expect to enter into the same in due course in a focused manner.

OPPORTUNITIES AND THREATS

The management after undertaking various analysis and conducting market studies together with professional advisory has decided and exited from the present business of the Company ie solvent extraction and refinery. The professional studies are made to diversify and enter into new business areas. The management is seeing various opportunities in business areas like warehousing by utilizing godowns and extra leasehold land of the Company, merchant export by utilizing five decades of experience in international trade and contacts with overseas companies, chemical exports by capitalizing promoters expertise in same, groundnut & deoiled cake trading due to its core competence in segment, surgical & medical equipments by utilizing promoter group's expertise in healthcare sector.

Due to total exit from solvent extraction and refinery business and with a view to develop sustainable long term business model the Board after deliberation decided to diversify into new business segment areas which will also protect and enhance stakeholders value. Accordingly in conformity the Management is working out a systematic plan to enter into new business areas in a phased and focused manner in due courses.

OUTLOOK

The management has charted out future plans for the Company post exit from the solvent extraction and refinery business to support sustainable long term business model for the Company and also to protect and enhance shareholders value. The Company has undertaken systematic study for entering into the business of Chemical exports, Commodity trading, Groundnut trading, Warehousing and Merchant exports business and bearing unforeseen circumstances the management is expect to enter into the same in due course in a focused manner to yield benefits from the same.

The Board and the Management of the Company are confident of getting diversified into new business areas in due course with a view to enhance stakeholder's value and create sustainable business model for the future of the Company.



RISKS AND CONCERNS

Macro-economic factors like the slow down, poor monsoon, sluggish demand conditions, import export policy, unforeseen political and social upheavals, natural calamities, forex movement, customers preference, habits and tastes, inflation, general demand and supply conditions, interest rate movement etc. factors may affect the future business plans of your Company.

Since key raw materials, finished products for trading form an important component of your Company's value chain, cost and availability of some of the key raw materials are an area of concern.

Besides these, changes in legislation, especially for corporate laws, export import, fiscal, etc. also have a bearing on the business performance, especially new opportunities.

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. 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 programs and initiatives in Indian Extractions Ltd., are aligned to meet the future business plans and 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 a minimum level due to its new business plans.

**FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE**

The solvent extraction industry has faced another difficult year and particularly for such Companies carrying manufacturing operating into Saurashtra belt of Gujarat found it very difficult to run plants due to low availability of groundnut crops. Your Company was also not an exception to various other uncontrollable variables like disparity in the pricing, volatile foreign exchange, low availability of feedstock, bumper crop in US, Brazil, Argentina etc. resulting into supply at a below cost price in the international market etc. and it was difficult to carry viable business operations. Also it was practically impossible for the Company to run our size of solvent extraction unit and refinery. Government policy to permit huge import of refined oil from neighboring countries, farmers preference for other crop over groundnut, diversion of groundnut crop for use as eatable thereby restricting availability for crushing and refinery use etc. factors has resulted operations for stand alone solvent extraction unit and related refinery practically difficult and unviable. All these adverse factors has resulted into very limited plant utilizations during last couple of years and resulted into continuous losses during last couple of years and that too during financial year 2011-12.

Considering the prolonged situation and with a view to protect stakeholders' value, the management has completely stopped the manufacturing unit for solvent extraction and refinery and exited from its core business of solvent extraction and refinery. Also to cut losses and repay banking liabilities, the assets of manufacturing business being land, building, plant & machinery and brand name are sold during the current financial year and the proceeds of the same has been utilized to repay banking debt. As on date of report, the Company is having only outstanding debt of Rs. 936.56 lacs from Union Bank of India and the same will be repaid very shortly. The promoters have also infused funds as Zero Coupon Convertible Preference Shares to partly fund losses as well as meet bank debt repayments. The same has been communicated earlier by the board and also necessary approvals from stakeholders have been availed.

During the year the Company was not able to process any Solvent Extractions and edible oil due to non availability of feedstock and viability of business as compared to that in previous year 5557 MT of Solvent Extractions and 6106 MT of edible oil was processed. The management has also sold its stock and also carried out chemical exports which have supported to keep operations of the Company going on.

The Company operations resulted in a turnover of Rs. 9.80 Cr as against Rs. 83.22 Cr for the previous year. The loss before interest and depreciation amounted to Rs. 80.47 lacs as against Rs. 41.99 Lacs in the previous year.

However due to an exceptional item of sale of land, building, plant & machinery and brand name the Company earned net exceptional income of Rs. 312.60 Cr. and recorded a profit of Rs. 4.37 Lacs.

As detailed in Directors report and under outlook heading of management discussions, the Board and the Management of the Company are confident of getting diversified into new business area in due course with a view to enhance stockholder's value and create sustainable business model for the future of the Company.

For and on Behalf of the Board

Place: MUMBAI
Dated: 24th May 2012

S. B. JHAVERI
Chairman & Managing Director



ANNEXURE - II TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

1. CONSERVATION OF ENERGY:

The company mainly uses non-conventional fuel i.e. Groundnut Husk, an agro waste subject to availability and uses lignite as an alternate fuel. The details of power and fuel consumption are given hereunder:

A. POWER & FUEL CONSUMPTION:

| | | Current Year | Previous Year |
|---|----------------|-----------------|------------------|
| | | ----- | ----- |
| 1. Electricity: | | | |
| a. Purchased & Consumed | - Unit | Nil | 1040057 |
| | - Total Amount | Rs. Nil | 6256233 |
| | - Rate/Unit | Rs. Nil | 6.02 |
| b. Own Generation Through Diesel Generator | - Unit | Nil | 3693 |
| | - Total Amount | Rs. Nil | 48936 |
| | - Rate/Unit | Rs. Nil | 13.25 |
| 2. Coal (Lignite): | | | |
| | - Tonnes | Nil | 935 |
| | - Total Amount | Rs. Nil | 2130829 |
| | - Average Rate | Rs. Nil | 2278.96 |
| 3. Others: | | | |
| 1. Oilseed Husk | - Tonnes | Nil | 1974 |
| | - Total Amount | Rs. Nil | 5068563 |
| | - Average Rate | Rs. Nil | 2567.66 |

B. CONSUMPTION RATE PER UNIT OF PRODUCTION:

| <u>Per tonne of oilcakes/seeds Processed:</u> | | | |
|---|--------|-----|--------|
| Electricity | - Unit | Nil | 89.53 |
| Fuel: Coal Lignite | - Kgs | Nil | 80.20 |
| Oilseed Husk | - Kgs | Nil | 169.33 |

**2. a. RESEARCH AND DEVELOPMENT:**

There is no expenditure on R & D during the year under review.

b. TECHNOLOGY ABSORPTION:

The Company has not imported any technology.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. The Company is a recognised Export House. The management is developing new export market for chemicals products, commodity and merchant exports business with a view to diversify its business.

b. Total Foreign Exchange Earned and Used:

| | | <u>Current Year</u> | <u>Previous Year</u> |
|-------------------------|-----|---------------------|----------------------|
| Foreign Exchange Earned | Rs. | 18107370 | 39624075 |
| Foreign Exchange Used | Rs. | 18273609 | 105000346 |

For and on Behalf of the Board

Place : MUMBAI
Dated : 24th May, 2012

S. B. JHAVERI
(Chairman & Managing Director)

**AUDITOR'S REPORT**

To the Members of Indian Extractions limited

1. We have audited the attached Balance Sheet of India Extractions Limited ("the company") as at 31st March 2012, the Statement of Profit and Loss and 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 the management as well as evaluating the overall financial statements 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 paragraph 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 maintained by the Company, so far as appears from our examination of those books.
 - c) The Balance sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 the matters contained in the paragraph 4(e) below.
 - e) *The Company has during the year incurred Retrenchment Compensation aggregating to Rs.43,02,523/-, on the termination of the employees on account of discontinuation of manufacturing operations, the same has been considered by the Company as Deferred Expenses which is to be*



written off over a period of five years. The aggregate net amount of deferred expenses is overstating the profit by Rs. 39,54,984/-.

- f) Subject to our examination and observation in paragraph 4 (e), 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, 2012;
 - ii) In the case of the statement of profit and loss, of the profit 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, 2012 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
Membership No. 042562
Place: Mumbai
Date: 24 May, 2012.



ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 3 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDIAN EXTRACTIONS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(i) Fixed Assets

- a) The company has maintained fixed asset register 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) *During the year the Land, Building, Plant & Machinery of the Company pertaining to the manufacturing operations has been sold off due to discontinuance of the manufacturing operations. In our opinion and according to the information and explanations given to us, substantial part of fixed assets has been disposed of by the Company during the year; and such disposal, in our opinion, would not affect the going concern status of the company in view of implementations of future plans and new businesses by the Company*

(ii) Inventory

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) Loans granted to or taken from related persons

- a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence clause (b), (c) and (d) are not applicable to company.



- b) The company has taken unsecured loans from an individual covered in the register maintained under section 301 of the Companies Act, 1956. At the year end, the outstanding balance of such loan taken aggregated Rs. 50,000/-, and the maximum amount involved during the year was Rs. 90,50,000/-. In our opinion in respect of loans taken by the company, the terms & conditions are not prima facie prejudicial to the interest of the company. There are no stipulations as regards repayment and interest.

(iv) **Internal Control**

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for providing the services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) **Related Party Transactions**

(a) In our opinion and according to the information and explanations given to us, the contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.

(b) In our opinion, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) **Deposits from Public**

According to the information and explanation given to us the company has complied with the provision of section 58A, 58AA or any other relevant provision 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.

(vii) **Internal Audit**

In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) **Cost Records**

The central government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the products, manufactured by the company. However, during the year since the Company has discontinued its manufacturing operations, the same have not been maintained.

(ix) Statutory Dues

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2012 which have not been deposited on account of a dispute.
- (c) 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, 2012 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 | 33.34 | A.Y. 1991-92 | Gujarat Sales Tax Tribunal, Ahmedabad |

(x) Net Worth

In our opinion, the accumulated losses of the company are more than fifty percent of its net worth at the end of the financial year. The company has incurred cash profit in the end of the current financial year as well as in the immediately preceding financial year.

(xi) Repayment of dues

According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

(xii) Loans granted

The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.

(xiii) Chit Fund

The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

(xiv) Investment Company

In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Hence, this clause is not applicable.



- (xv) **Guarantee issued**
According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) **Utilization of term loans**
According to the information and explanations given to us, the Company has not obtained term loans during the year. Hence, this clause is not applicable.
- (xvii) **Utilization of short-term loans**
On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment and vice versa.
- (xviii) **Preferential Allotment**
During the year, The Company has made preferential allotment of 90,000 Zero Coupon Redeemable Preference Shares of Rs. 100/- each aggregating to Rs.90,00,000/- on a private placement and preferential basis to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) **Debentures**
The Company has not issued any debentures during the year. Hence, this clause is not applicable.
- (xx) **End use of Public Issue**
The company has not raised funds by way of public issue and hence this clause is not applicable.
- (xxi) **Frauds**
During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
Membership No. 042562
Place: Mumbai
Date: 24 May, 2012.

(Amount in Rs.)

| Particulars | | Refer Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|---------------------------------------|----------------------|---|---|
| I. EQUITY AND LIABILITIES | | | | |
| 1 Shareholders' funds | | | | |
| (a) | Share capital | 3 | 42,376,330 | 33,376,330 |
| (b) | Reserves and surplus | 4 | 20,402,896 | 87,718,060 |
| (c) | Money received against share warrants | | - | - |
| 2 Share application money pending allotment | | | | |
| 3 Non-current liabilities | | | | |
| (a) | Long-term borrowings | 5 | 5,961,549 | 19,802,735 |
| (b) | Deferred tax liabilities (Net) | 6 | - | - |
| (c) | Other long term liabilities | | - | - |
| (d) | Long-term provisions | 7 | 1,939,628 | 483,570 |
| 4 Current liabilities | | | | |
| (a) | Short-term borrowings | 8 | 83,472,279 | 150,225,894 |
| (b) | Trade payables | | 1,253,915 | 44,203,498 |
| (c) | Other current liabilities | 9 | 7,153,547 | 21,263,460 |
| (d) | Short-term provisions | 10 | 120,919 | 40,919 |
| Total | | | 162,681,063 | 357,114,466 |
| II. ASSETS | | | | |
| Non-current assets | | | | |
| 1 (a) Fixed assets | | | | |
| (i) | Tangible assets | 11 | 45,783,658 | 187,003,524 |
| (ii) | Intangible assets | | 212,733 | - |
| (iii) | Capital work-in-progress | | - | - |
| (iv) | Intangible assets under development | | - | - |
| (b) | Non-current investments | 12 | - | - |
| (c) | Deferred tax assets (net) | 13 | 10,406,151 | 16,070,201 |
| (d) | Long-term loans and advances | | - | - |
| (e) | Other non-current assets | 14 | 5,773,877 | 2,564,823 |
| 2 Current assets | | | | |
| (a) | Current investments | 12 | - | - |
| (b) | Inventories | 15 | 3,419,202 | 44,167,464 |
| (c) | Trade receivables | 16 | 92,044,357 | 73,641,670 |
| (d) | Cash and cash equivalents | 17 | 3,442,262 | 15,080,610 |
| (e) | Short-term loans and advances | 18 | 1,598,823 | 18,586,174 |
| (f) | Other current assets | 19 | - | - |
| Total | | | 162,681,063 | 357,114,466 |

See Accompanying Notes form an integral part of the financial statements

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
M.No.42562
Date: 24 May, 2012

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI P.S.JHAVERI
Chairman & Managing Director Jt. Managing Director

Anand R Dalal
Asit D. Javeri
Ankur M. Maneck
Directors
Shivangi Dave
Company Secretary



Profit and Loss Statement for period ended 31st March, 2012

(Amount in Rs.)

| Particulars | | Refer Note No. | Figures for the current reporting period | Figures for the previous reporting period |
|-------------|---|----------------|--|---|
| I. | Revenue from operations | 20 | 97,954,441 | 832,249,175 |
| | Less: Excise Duty | | - | 446,176 |
| | | | 97,954,441 | 831,802,999 |
| II. | Other income | 21 | 844,826 | 4,604,431 |
| III. | Total Revenue (I + II) | | 98,799,267 | 836,407,430 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 22 | - | 455,511,149 |
| | Purchases of Stock-in-Trade | | 53,511,684 | 272,652,076 |
| | Changes in inventories of finished goods and Stock-in-Trade | 23 | 38,445,169 | 38,969,786 |
| | Employee benefits expense | 24 | 5,136,320 | 9,595,734 |
| | Finance costs | 25 | 20,629,852 | 22,353,791 |
| | Depreciation and amortization expense | 11 | 2,146,205 | 6,999,591 |
| | Other expenses | 26 | 9,752,830 | 63,878,526 |
| | Total expenses | | 129,622,060 | 869,960,653 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | (30,822,793) | (33,553,223) |
| VI. | Exceptional items | 28 | 31,259,990 | 38,472,000 |
| VII. | Profit before extraordinary items and tax (V - VI) | | 437,197 | 4,918,777 |
| VIII. | Extraordinary Items | | - | - |
| IX. | Profit before tax (VII- VIII) | | 437,197 | 4,918,777 |
| X. | Tax expense: | | | |
| | (1) Current tax (2) Deferred tax | | - | - |
| XI. | Profit (Loss) for the period from continuing operations (IX-X) | | 437,197 | 4,918,777 |
| XII. | Profit/(loss) from discontinuing operations | | - | - |
| XIII. | Tax expense of discontinuing operations | | - | - |
| XIV. | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV. | Profit (Loss) for the period (XI + XIV) | | 437,197 | 4,918,777 |
| XVI. | Earnings per equity share: | | | |
| | (1) Basic (2) Diluted | | 0.13 1.47 | |

See Accompanying Notes form an integral part of the financial statements

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
M No.42562
Date: 24 May, 2012

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI P.S.JHAVERI
Chairman & Managing Director Jt. Managing Director

Anand R Dalal
Ash D. Javeri
Ankur M. Maneck
Directors Shivangi Dave
Company Secretary

INDIAN EXTRACTIONS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

| | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|--------------|---------------|--------------|
| | RUPEES | RUPEES | RUPEES | RUPEES |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit / (Loss) before tax including exceptional item | | 437,197 | | 4,918,776 |
| Adjustments for | | | | |
| Depreciation | 2,146,205 | | 6,999,591 | |
| Profit on sale of Fixed Assets (Net) | (285,861) | | (498) | |
| Profit on sale of Land (Exceptional Item) | (25,259,990) | | (38,472,000) | |
| Interest and Finance Charges | 20,629,852 | | 22,353,791 | |
| Sale of Trade Mark | (6,000,000) | | - | |
| Interest Income | | | | |
| On Bank Deposits | 268,892 | | 327,909 | |
| On Income Tax, Sales Tax Refund etc. | 15,470 | | 380,418 | |
| On Others | - | | 1,026,666 | |
| | (284,362) | (9,054,156) | (1,734,893) | (10,854,109) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | (8,616,960) | | (5,935,333) |
| Adjustments for | | | | |
| Increase in Trade and other receivables | 4,328,715 | | (18,510,537) | |
| Increase in Inventories | 40,746,262 | | 57,905,180 | |
| Increase in Trade Payables | (55,603,438) | (10,526,461) | (24,096,964) | 15,297,639 |
| CASH (USED IN) / FROM OPERATIONS | | (19,143,421) | | 9,362,306 |
| Direct Taxes Paid | | | | |
| NET CASH (USED IN) / FROM OPERATING ACTIVITIES | (A) | (19,143,421) | (A) | 9,362,306 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Additions in Fixed Assets and Capital Work in Progress | (2,003,849) | | (161,679) | |
| Proceeds from sale of Fixed Assets | 98,658,267 | | 38,526,088 | |
| Sale of Trademark | 6,000,000 | | - | |
| Interest Received | 284,362 | | 1,734,993 | |
| NET CASH (USED IN) INVESTING ACTIVITIES | (B) | 102,938,780 | (B) | 40,099,402 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Issue of Preference Shares | 9,000,000 | | - | |
| Proceeds from Term Borrowings | - | | 6,889,752 | |
| Repayment of Term Borrowings | (80,594,801) | | (26,950,000) | |
| Payment towards retrenchment compensation | (3,209,034) | | (2,564,823) | |
| Dividend paid | - | | (35,249) | |
| Interest Paid | (20,629,852) | | (22,353,791) | |
| NET CASH FROM FINANCING ACTIVITIES | (C) | (95,433,707) | (C) | (45,014,111) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (A + B + C) | (11,638,348) | (A + B + C) | 4,447,596 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (OPENING BALANCE) | | 15,080,610 | | 10,633,014 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (CLOSING BALANCE) | | 3,442,262 | | 15,080,610 |

Notes:

- 1) Components of Cash and bank balances includes Cash and Bank Balances as stated in Schedule 18 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.NIL (Previous Year Rs. 4,650,245 /-) towards Margin Money, and towards fixed deposits from public Rs.NIL (Previous year Rs.961,574)

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Mndi
Partner
M.No.42562
Date: 24 May, 2012

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI
Chairman & Managing Director

P.S.JHAVERI
Jt. Managing Director

Anand R Dalal
Asit D. Javeri
Ankur M. Maneck
Directors

Shivangi Dave
Company Secretary



Notes forming part of the accounts for the year ended 31st March, 2012.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 BACKGROUND:

Indian Extractions Limited was incorporated on Sixth Day of February, 1956 under the Indian Companies Act of 1956 and listed on the Bombay Stock Exchange Limited. (BSE) The company was in the business of solvent extraction for more than five decades and is now also diversified into refined edible oil manufacturing and marketing, trading in chemicals and commodities.

2 SIGNIFICANT ACCOUNTING POLICIES:

a 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.

b 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.

c 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.

d 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.

e DEPRECIATION

Depreciation on fixed assets is provided on written down value basis in accordance with the Companies Act, 1956.

- 1 Depreciation is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956
- 2 Depreciation for the year is provided on the revalued cost of Assets and is charged to the Profit and Loss Account.
- 3 During the year, the company has discontinued its manufacturing operations in line with the management's decision as communicated. In the view of the said fact no depreciation has been provided from July 2011 onwards on the manufacturing assets of the company.



- 4 The difference of Rs.9,85,393/- (Previous Year Rs.1,578,707/-) 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. Adjustment in revaluation reserve due to sale of free hold land is Rs. 66,766,968/- (previous year Rs. 24,472,000/-).

f 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. |

g RETIREMENT BENEFITS

1) 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.

2) COMPENSATED ABSENCES

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

3) PROVIDENT FUND

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

h CENVAT CREDIT

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

i 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.

j REVENUE RECOGNITION

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

**k PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provision involving substantial degree of estimation in measurement is recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in notes, if any. Contingent Assets are neither recognised nor disclosed in the financial statement.

l 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.

m 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.

n TAXES ON INCOME

Tax expense comprises of current tax and deferred 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.

o 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.

p 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.

NOTES TO ACCOUNTS:**3.a The Number and amount of shares Authorised, issued, subscribed & fully paid up and subscribed but not fully paid up:-**

| Share Capital | As at 31 March 2012 | | As at 31 March 2011 | |
|---|---------------------|-------------------|---------------------|-------------------|
| | Number | Rs. | Number | Rs. |
| Authorised | | | | |
| Equity Shares of Rs.10/- each | 5,000,000 | 50,000,000 | 5,000,000 | 50,000,000 |
| Zero Coupons Redeemable Preference Shares of Rs. 100 each | 400,000 | 40,000,000 | - | - |
| Issued | | | | |
| Equity Shares of Rs.10/- each | 3,337,633 | 33,376,330 | 3,337,633 | 33,376,330 |
| Zero Coupons Redeemable Preference Shares of Rs. 100 each | 90,000 | 9,000,000 | - | - |
| Subscribed & Paid up | | | | |
| Equity Shares of Rs10/- each fully paid | 3,337,633 | 33,376,330 | 3,337,633 | 33,376,330 |
| Zero Coupons Redeemable Preference Shares of Rs. 100 each | 90,000 | 9,000,000 | - | - |
| Total | 3,427,633 | 42,376,330 | 3,337,633 | 33,376,330 |

3.b Reconciliation of shares outstanding at beginning and at the end of reporting period**I. Equity Shares**

| Particulars | Equity Shares | | | |
|---|---------------------|-------------------|---------------------|-------------------|
| | As at 31 March 2012 | | As at 31 March 2011 | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | 3,337,633 | 33,376,330 | 3,337,633 | 33,376,330 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 3,337,633 | 33,376,330 | 3,337,633 | 33,376,330 |

II. Preference Shares

| Particulars | Preference Shares | | | |
|---|---------------------|------------------|---------------------|----------|
| | As at 31 March 2012 | | As at 31 March 2011 | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | - | - | - | - |
| Shares issued during the year | 90,000 | 9,000,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 90,000 | 9,000,000 | - | - |

3.c Shareholders holding more than 5% of shares

| Name of Shareholder | As at 31 March 2012 | | As at 31 March 2011 | |
|----------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Shantilal Bhogilal Jhaveri | 1,146,900 | 34.36 | 1,146,900 | 34.36 |
| Pravraj Shantilal Jhaveri | 497,000 | 14.89 | 497,000 | 14.89 |



4 Detailed working of Reserves and Surplus

| Particulars | As at | As at |
|---|---------------------|---------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| a. Capital Reserves | | |
| (Cash Subsidy received from Gujarat State Government) | | |
| Opening Balance | 848,010 | 848,010 |
| (+) Current Year Transfer | - | - |
| (-) Written Back in Current Year | - | - |
| Closing Balance | 848,010 | 848,010 |
| b. Securities Premium Account | | |
| Opening Balance | 19,479,336 | 19,479,336 |
| Add Securities premium credited on Share issue | - | - |
| Less: Premium Utilised for various reasons | - | - |
| Premium on Redemption of Debentures | - | - |
| For Issuing Bonus Shares | - | - |
| Closing Balance | 19,479,336 | 19,479,336 |
| c. Export Profit Reserve | | |
| Opening Balance | 900,000 | 900,000 |
| (+) Current Year Transfer | - | - |
| (-) Written Back in Current Year | - | - |
| Closing Balance | 900,000 | 900,000 |
| d. Revaluation Reserve | | |
| Opening Balance | 110,635,359 | 136,686,065 |
| (+) Current Year Transfer | - | - |
| (-) Written Back in Current Year | 67,752,361 | 26,050,707 |
| <i>(Of the above amount written back, the amount towards depreciation is Rs. 985,393 (Previous year Rs.1,578,707) and towards sale of free hold land Rs. 66,766,968 (previous year Rs. 24,472,000))</i> | | |
| Closing Balance | 42,882,998 | 110,635,359 |
| e. Surplus | | |
| Opening balance | (44,144,645) | (49,063,422) |
| (+) Net Profit/(Net Loss) For the current year | 437,197 | 4,918,777 |
| (+) Transfer from Reserves | - | - |
| (-) Proposed Dividends | - | - |
| (-) Interim Dividends | - | - |
| (-) Transfer to Reserves | - | - |
| Closing Balance | (43,707,448) | (44,144,645) |
| Total | 20,402,896 | 87,718,060 |

5 Details of Long Term Liabilities

| Long Term Borrowings | As at | As at |
|---|------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| (a) Term loans | | |
| From Banks | | |
| (Secured By Building, Stores, Spares, Plant & Machinery) | 4,955,714 | 10,037,735 |
| (Of The Above, Term Loan From Bank Is Guaranteed By Managing Directors) | | |
| (Repayable In 20 Quarters To 28 Quarters) | | |
| From Banks | 955,835 | - |
| (Secured By Hypothecation Of Car) | | |
| (Repayable In 36 Instalments) | | |
| | 5,911,549 | 10,037,735 |
| (a) Deposits | | 715,000 |
| (of the above, Rs. Nil is guaranteed by Directors and / or others) | | |
| (b) Loans and advances from related parties | 50,000 | 9,050,000 |
| (of the above, Rs. Nil is guaranteed by Directors and / or others) | | |
| | 50,000 | 9,765,000 |
| Total | 5,961,549 | 19,802,735 |

6 Details of Deferred Tax Liabilities/ Assets

| Particulars | As at | As at |
|--|----------------|--------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Depreciation on Fixed Assets | (484,886) | (2,617,132) |
| Debtors (Provision For Doubtful Debts) | 598,674 | 201,514 |
| Leave Salary u/s 43 (B) | 20,627 | 13,402 |
| Gratuity Payable | 578,718 | 36,894 |
| Deferred Tax Asset/ (Liability) | 713,133 | (2,365,322) |

The Company also has unabsorbed depreciation and carry-forward losses, 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.

7 Long Term Provision

| Particulars | As at | As at |
|--|------------------|----------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| (a) Provision for employee benefits | | |
| Gratuity (unfunded) | 1,872,874 | 354,718 |
| Leave Encashment (unfunded) | 66,754 | 128,852 |
| Total | 1,939,628 | 483,570 |

8 Details of Short Term Borrowings

| Particulars | As at | As at |
|---|-------------------|--------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Secured | | |
| (a) Loans repayable on demand | | |
| FROM BANKS | 83,472,279 | 150,225,894 |
| 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. | | |
| | 83,472,279 | 150,225,894 |
| Unsecured | - | - |
| | - | - |
| Total | 83,472,279 | 150,225,894 |

9 Details of Other Current Liabilities

| Particulars | As at | As at |
|--|------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| (a) Current maturities of long-term debt | 5,681,545 | 19,877,963 |
| (b) Interest accrued but not due on borrowings | - | 42,540 |
| (c) Interest accrued and due on borrowings | 655,695 | 441,033 |
| (d) Unpaid Bonus | 157 | 3,732 |
| (e) Other Current Liabilities | - | 186,358 |
| (f) Bonus payables | 184,688 | 515,768 |
| (g) Statutory Dues Payable | 631,262 | 196,096 |
| Total | 7,153,547 | 21,263,460 |

10 Short Term Provisions

| Particulars | As at | As at |
|----------------------------------|----------------|---------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| (a) Provision For Taxes | | |
| Provision for Fringe Benefit Tax | 86,126 | 6,126 |
| Provision for Wealth Tax | 34,793 | 34,793 |
| Total | 120,919 | 40,919 |



INDIAN EXTRACTIONS LIMITED

Notes No. 11 forming part of the accounts for the year ended 31st March, 2012
Fixed Asset Schedule

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--|----------------------------|------------------|--------------------|-----------------------------|----------------------------|----------------------------------|---|--------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2011 | Additions | Disposals | Balance as at 31 March 2012 | Balance as at 1 April 2011 | Depreciation charge for the year | Adjustment due to revaluations/ (impairments) | On disposals | Balance as at 31 March 2012 | Balance as at 31 March 2011 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| a Tangible Assets:- | | | | | | | | | | |
| Land-Freehold | 74,929,911 | - | 25,162 | 74,904,749 | - | - | 66,766,968 | - | 66,766,968 | 6,137,781 |
| Land-Leasehold | 41,143,954 | - | - | 41,143,954 | 5,430,126 | - | 811,674 | - | 33,900,954 | 35,713,628 |
| Buildings | 45,903,284 | - | 45,398,815 | 344,469 | 39,512,526 | 13,364 | 140,653 | 39,441,692 | 211,853 | 6,390,758 |
| Plant and Equipment | 129,319,428 | - | 129,319,428 | - | 62,819,998 | 1,444,952 | 33,084 | 64,297,014 | - | 66,498,530 |
| Furniture and Fixtures | 1,319,284 | - | - | 1,319,284 | 1,181,172 | 16,078 | - | - | 1,296,410 | 134,952 |
| Vehicles | 10,170,145 | 1,791,116 | 6,890,390 | 5,021,871 | 7,336,942 | 576,363 | - | 5,012,431 | 2,890,924 | 2,793,154 |
| Office equipment | 2,857,317 | - | 28,859 | 2,886,188 | 2,315,725 | 96,348 | - | 5,101 | 2,436,972 | 541,591 |
| Sub- Total (a) | 305,633,323 | 1,791,116 | 181,871,654 | 125,552,795 | 118,629,799 | 2,146,205 | 67,752,361 | 108,759,238 | 79,769,127 | 45,783,658 |
| b Capital Work In Progress | | | | | | | | | | |
| | - | 212,733 | - | 212,733 | - | - | - | - | - | 212,733 |
| Grand - Total (a+b) | 305,633,323 | 2,003,849 | 181,871,654 | 125,765,518 | 118,629,799 | 2,146,205 | 67,752,361 | 108,759,238 | 79,769,127 | 45,996,391 |
| Previous year | 330,137,606 | 161,679 | 193,962 | 330,105,323 | 110,191,874 | 6,999,591 | 26,050,706 | 140,272 | 143,101,799 | 157,003,524 |

Notes:
1. Gross Block is at cost or book value and includes amount added on revaluation on 31st March, 2008. 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.

(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.121,652,861/- being surplus on Revaluation as on 31st March, 2008.

(c) Revalued amounts (net of accumulated depreciation) substituted for Historical Costs as on 31st March, 2008 are as under
(a) Freehold Land Rs. 99,129,911 (Gross)
(b) Leasehold Land Rs. 80,168,650 (Gross)

3. Depreciation for the year includes depreciation provided on revalued cost of assets.

4. The difference of Rs.9,45,393/- (Previous Year Rs.1,378,707/-) 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. Adjustment in revaluation reserve due to sale of freehold land Rs. 66,766,968 (previous year Rs. 21,472,069).



INDIAN EXTRACTIONS LIMITED

| B. | Details of Other Investments | Name of the Body Corporate | Subsidiary/ Associate / JV/ Controlled Entity/ Others | No. of Shares/ Units | | Quoted / Unquot ed | Partly Paid/ Fully paid | Extent of Holding (%) | | Amount (Rs.) | | Whether stated at Cost Yes/ No | If Answer to Column (12) is 'No' - Basis of Valuation |
|-----|----------------------------------|----------------------------|---|----------------------|-------|-----------------------------|----------------------------------|-----------------------|--------------|--------------|--------|---|---|
| | | | | 2012 | 2011 | | | 2012 | 2011 | 2012 | 2011 | | |
| (1) | (2) | | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| (a) | Investment in Equity Instruments | | Others | 500 | 500 | Quoted | Fully | Less Than 5% | Less Than 5% | 70,000 | 70,000 | Yes | |
| | Elbec Services Limited | | Others | 2,300 | 2,300 | Quoted | Fully | Less Than 5% | Less Than 5% | 17,885 | 17,885 | Yes | |
| | Life Style Fabrics Limited | | | | | | | | | 87,885 | 87,885 | | |
| | | Sub - Total | | | | | | | | 87,885 | 87,885 | | |
| | | Grand Total | | | | | | | | 87,885 | 87,885 | | |

13 Details of Long Term Loans and Advances

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|---|---------------------|-------------------|---------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| a. Security Deposits | | | | |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | - | 6,000 | - | 6,000 |
| Doubtful | - | - | - | - |
| Less: Provision for doubtful deposits | - | - | - | - |
| | | 6,000 | | 6,000 |
| b. Other loans and advances (specify nature) | | | | |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | - | 10,400,151 | - | 16,064,201 |
| Doubtful | - | - | - | - |
| Less: Provision | - | - | - | - |
| | | 10,400,151 | | 16,064,201 |
| Grand Total | | 10,406,151 | | 16,070,201 |

14 Details of Other Non-Current Assets

| Non-Current Assets | As at 31 March 2012 | | As at 31 March 2011 | |
|----------------------------------|---------------------|------------------|---------------------|------------------|
| | Rs. | Rs. | Rs. | Rs. |
| a. Miscellaneous Expenses | | | | |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | - | 5,773,877 | - | 2,564,823 |
| Doubtful | - | - | - | - |
| Less: Provision | - | - | - | - |
| | | 5,773,877 | | 2,564,823 |
| Total | | 5,773,877 | | 2,564,823 |

15 Details of Inventories

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|--|---------------------|------------------|---------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| a. Raw Materials and components (Valued at cost) | - | - | 1,861,461 | 1,861,461 |
| b. Work-in-progress (Valued at _____) | - | - | - | - |
| c. Finished goods (Valued at Cost) | - | - | 38,445,169 | 38,445,169 |
| d. Stock-in-trade (Valued at Cost) | - | - | - | - |
| e. Stores and spares (Valued at Cost) | 3,419,202 | 3,419,202 | 3,860,834 | 3,860,834 |
| f. Loose Tools (Valued at Cost) | - | - | - | - |
| g. Others (Specify nature) | - | - | - | - |
| Total | | 3,419,202 | | 44,167,464 |

16. Details of Trade receivable

| Particulars | As at | As at |
|--|-------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| - Secured, considered good | - | - |
| - Unsecured, considered good | 85,214,553 | 66,769,626 |
| - Unsecured, considered doubtful | - | - |
| | 85,214,553 | 66,769,626 |
| Less: Provision for doubtful debts | - | - |
| | 85,214,553 | 66,769,626 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| - Secured, considered good | - | - |
| - Unsecured, considered good | 8,767,260 | 8,809,500 |
| - Unsecured, considered doubtful | - | - |
| | 1,937,456 | 1,937,456 |
| Less: Provision for doubtful debts | - | - |
| | 6,829,804 | 6,872,044 |
| Total | 92,044,357 | 73,641,670 |

Trade Receivable stated above include debts due by:

| Particulars | As at | As at |
|---|-------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Directors * | - | - |
| Other officers of the Company * | - | - |
| Firm in which director is a partner * | - | - |
| Private Company in which director is a member | 19,996,846 | 54,352,993 |
| Total | 19,996,846 | 54,352,993 |

17. Details of Cash and Cash Equivalents

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|---|---------------------|------------------|---------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| a. Balances with banks* | | 3,406,855 | | 14,953,752 |
| This includes: | | | | |
| Current Account Balances | 3,406,855 | | 9,341,933 | |
| Margin money | - | | 4,650,245 | |
| Bank deposits with more than 12 months maturity | - | | 961,574 | |
| b. Cheques, drafts on hand | | | | |
| c. Cash on hand* | 35,407 | 35,407 | 57,126 | 57,126 |
| d. Interest Receivable on FD | - | | 69,732 | 69,732 |
| Total | | 3,442,262 | | 15,080,610 |



18 Details of short-term Loans and advances

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|---------------------------------------|---------------------|------------------|---------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| a. Advance Recoverable From Creditors | | | | |
| Secured, considered good | | | | |
| Unsecured, considered good | 1,598,823 | 1,598,823 | 18,586,174 | 18,586,174 |
| Doubtful | | | | |
| Less: Provision for | | | | |
| | | 1,598,823 | | 18,586,174 |
| Total | | 1,598,823 | | 18,586,174 |

19 Other current Assets

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|--|---------------------|-----|---------------------|-----|
| | Rs. | Rs. | Rs. | Rs. |
| Others Current Assets (specify nature) | | | | |
| Total | | | | |

20 Details of Income

| Particulars | For the year ended | For the year ended |
|---------------------------|--------------------|--------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Sale of Product | 91,663,270 | 828,937,370 |
| Settlement of Contracts | 5,316,000 | 2,428,200 |
| Export Incentive Received | 975,171 | 883,605 |
| Less: Excise Duty | 97,954,441 | 832,249,175 |
| Total | 97,954,441 | 831,802,999 |

21 Details of Other Income

| Particulars | For the year ended | For the year ended |
|---------------------------------|--------------------|--------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Interest Income | 284,362 | 1,734,993 |
| Sundry Credit Balance W/off | 16,085 | 15,860 |
| Net gain/loss on sale of Assets | 285,861 | 498 |
| Other non-operating income | 258,518 | 2,853,080 |
| Total | 844,826 | 4,604,431 |

22 Details of Cost of materials consumed

| Particulars | For the year ended | | For the year ended | |
|--------------------------------|--------------------|-----|--------------------|-------------|
| | 31 March 2012 | | 31 March 2011 | |
| | Rs. | Rs. | Rs. | Rs. |
| Opening Stock | | | | |
| Add: Purchases during the year | - | | 1,861,461 | |
| | | | 453,649,688 | |
| Less: Closing Stock | - | | 455,511,149 | |
| | | | | 455,511,149 |

23 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

| Particulars | For the year ended 31 March 2012 | | For the year ended 31 March 2011 | |
|---------------------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| Stocks at commencement : | | | | |
| Finished goods | 38,445,169 | | 74,437,821 | |
| Work-in-process | - | | 2,977,134 | |
| Stock-in-trade | - | | - | |
| | | 38,445,169 | | 77,414,955 |
| Stocks at year end | | | | |
| Finished goods | - | | 38,445,169 | |
| Work-in-process | - | | - | |
| Stock-in-trade | - | | - | |
| | | | | 38,445,169 |
| Total | | 38,445,169 | | 38,969,786 |

24 Details of Employee Benefits

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---------------------------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| (a) Salaries and incentives | 3,038,078 | 8,005,667 |
| (b) Contributions to - | | |
| (i) Provident fund | 325,328 | 793,788 |
| (ii) Superannuation scheme | 1,704,867 | 316,976 |
| (c) Gratuity fund contributions | 68,047 | 479,303 |
| (d) Staff welfare expenses | | |
| Total | 5,136,320 | 9,595,734 |

25 Details of Finance Cost

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|------------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Interest expense | 20,629,852 | 22,353,791 |
| Total | 20,629,852 | 22,353,791 |

26. Other Expenses

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Manufacturing expenses and other expenses - note no. 27 | 1,613,615 | 49,707,096 |
| Electricity and Power expenses- office | 20,955 | 21,092 |
| Legal & professional fees | 1,219,794 | 840,969 |
| Insurance- other than factory | 74,435 | 47,316 |
| Repairs and maintenance- others | - | 277,225 |
| Director's fees | 34,500 | 19,500 |
| Telephone, postage & telegram | 252,119 | 412,728 |
| Rates and taxes (Excluding taxes on income)-office | 3,550 | 56,238 |
| Advertisement & sales promotions expenses | 107,127 | 183,228 |
| Commission Paid | 44,613 | 372,802 |
| Bad debts written off | 55,862 | 5,867 |
| Printing & stationery | 130,273 | 116,301 |
| Prior period items- note no.29 | - | - |
| Audit Fees (Excluding service tax)- note no. 32 | 486,128 | 662,872 |
| Miscellaneous expenses | 210,957 | 214,461 |
| Foreign Exchange Loss | 403,707 | 881,591 |
| Security charges Paid | 348,000 | 10,633 |
| Transport & Forward Charges | 186,461 | 2,465,469 |
| Freight & Shipping Charges | 771,729 | 1,790,644 |
| Retrenchment Compensation | 1,373,469 | - |
| Vehicle Expenses | 683,181 | 1,190,493 |
| Bank Charges | 568,782 | 3,363,981 |
| Travelling Expenses | 556,057 | 431,114 |
| Sundry Expenses | 607,516 | 806,906 |
| Total | 9,752,830 | 63,878,526 |

27. Details of Manufacturing and Other Expenses

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| (a) Consumption of stores and spare parts | 43,883 | 4,087,343 |
| (b) Packing Material consumed | 385,606 | 20,874,723 |
| (c) Power and Fuel, Water charges | 312,051 | 14,654,954 |
| (d) Rent, rates & taxes- Factory | 452,573 | 714,250 |
| (e) Repairs to machinery | 181 | 1,006,046 |
| (f) Repairs to building | 58,953 | 59,190 |
| (g) Insurance- factory | 294,194 | 744,059 |
| (h) Other manufacturing expenses | 66,172 | 7,566,531 |
| Total | 1,613,615 | 49,707,096 |

28. Details of Exceptional Items

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Profit on Disposal of Fixed Assets (Land) | 25,259,990 | 38,472,000 |
| Sale of Trademark | 6,000,000 | - |
| Total | 31,259,990 | 38,472,000 |

29. Details of Prior period Items

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|--------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| NIL | - | - |
| Total | - | - |

30. Details of Value of import calculated on C.I.F basis during the financial year

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Raw Materials | - | 107,549,253 |
| Total | - | 107,549,253 |

31. Details of contingent Liability Not Provided

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| | Rs. | Rs. |
| (f) Contingent Liabilities | | |
| (a) Claims against the company not acknowledged as debt | - | - |
| (b) Guarantees | - | - |
| (c) Other money for which the company is contingently liable [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. 285,000/- under protest with the Sales Tax Authorities against the said demand. The deposit amount is included under account head Loans and Advances.] | 3,334,472 | 3,206,043 |
| | 3,334,472 | 3,206,043 |
| Total | 3,334,472 | 3,206,043 |

32 Details of Payment of Auditors

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|----------------------------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| a. auditor | 449,440 | 441,200 |
| b. for taxation matters | - | - |
| c. for company law matters | - | - |
| d. for management services | - | - |
| e. for other services | 33,092 | 220,600 |
| f. for reimbursement of expenses | 3,596 | 1,072 |
| Total | 486,128 | 662,872 |

33 Expenditure in foreign currency during the financial year on account of followings

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Import of Copper Scrap on CIF Basis | 17,127,184 | 107,549,253 |
| Others | 1,146,425 | 551,093 |
| Total | 18,273,609 | 108,100,346 |

34 Details of Consumption during the year

| Particulars | For the year ended 31 March 2012 | | For the year ended 31 March 2011 | |
|----------------------------|-------------------------------------|------------|-------------------------------------|------------|
| | Indigenous | | Indigenous | |
| | Rs. | % | Rs. | % |
| Raw Materials | - | - | 455,511,149 | 91.99 |
| Components and spare parts | 761,995 | 100 | 39,638,112 | 8.01 |
| Total | 761,995 | 100 | 495,149,261 | 100 |

35 Employee Benefits

As required by Accounting Standard-15 'Employee Benefits' the disclosures are as under :

Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised the following amounts in the Account:

| Particulars | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|--|--------------------------------------|--------------------------------------|
| Provident Fund and Employee's Pension Scheme | 325,328 | 793,788 |
| TOTAL | 325,328 | 793,788 |

Defined Benefit Plans

Gratuity: The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

- On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.
- On the death in service.
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Death Benefit: The Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non funded.



Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on March 31, 2012 are as under:

| Particulars | | As at March 31, 2012 | As at March 31, 2011 |
|-------------|---|-------------------------|-------------------------|
| i) | Changes in present value of obligations | | |
| | Present value of as at beginning of year | 2,106,051 | 6,207,822 |
| | Current service cost | 87,211 | 307,807 |
| | Interest cost | 168,484 | 479,921 |
| | Actuarial loss / (gain) | 1,489,532 | (1,861,092) |
| | Benefit (paid) | (1,696,576) | (1,033,226) |
| | Present value of obligations as at end of year | 2,154,702 | 4,101,232 |
| ii) | Changes in Fair Value of Assets | | |
| | Opening fair value of plan assets | 1,794,114 | 3,107,215 |
| | Diff between report as per last year & actual balance as per LIC Fund Statement | - | - |
| | Adjustment to the fund | - | - |
| | Transfers out of fund | - | - |
| | Expected return on plan assets | 143,529 | 237,485 |
| | Actuarial gain / (loss) | (103,169) | 58,271 |
| | Contributions of employer | 143,930 | 377,955 |
| | Benefits (paid) | (1,696,576) | (1,033,226) |
| | Closing fair value of plan assets | 281,828 | 2,747,700 |
| iii) | Amount recognised in the Balance Sheet | | |
| | Present value of the obligations as at year end | (2,154,702) | 2,747,700 |
| | Fair value of the plan assets as at year end | 281,828 | (4,101,232) |
| | Net (asset) / liability recognised as on March 31, 2012 | (1,872,874) | (1,353,532) |
| iv) | Expenses recognised in the Statement of Profit and Loss | | |
| | Current service cost | 87,211 | 307,807 |
| | Interest on defined benefit obligation | 168,484 | 479,921 |
| | Expected return on plan assets | (143,529) | (237,485) |
| | Net actuarial loss/(gain) recognized in the current year | 1,592,701 | (1,919,363) |
| | Total expense | 1,704,867 | (1,369,120) |
| v) | Asset information | | |
| | Insurer Managed Funds | 281,828 | 2,747,700 |
| vi) | Principal actuarial assumptions used | | |
| | Discount rate (p.a.) | 8% | 8% |
| | Expected rate of return on plan assets (p.a.) | 8% | 8% |
| | Annual increase in salary cost (p.a.) | 5% | 5% |

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information has been certified by the actuary and relied upon by the auditors.

Leave Encashment:

No Provision has been made in the accounts towards encashment of earned leaves not availed by the employees upto March 31, 2012. Since their encashment as per the rules of the company does not fall due on the same date. The same shall be accounted for as and when paid.

36. Earning Per Share (EPS)

| Total no. of Non-resident Shareholder | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| | Rs. | Rs. |
| Profit/(Loss) attributable to equity shareholders | 437,197 | 4,918,777 |
| Weighted average number of shares outstanding during the year | 3,337,633 | 3,337,633 |
| Basic / Diluted Earnings per share | 0.13 | 1.47 |
| Nominal value per share | 10 | 10 |

INDIAN EXTRACTIONS LIMITED



37. Earning in foreign currency during the financial year on account of followings

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31 March 2012 | 31 March 2011 |
| | Rs. | Rs. |
| Export of goods calculated on F.O.B basis | 18,107,370 | 39,624,075 |
| Total | 18,107,370 | 39,624,075 |

38. Details of purchase of Raw Material / Goods

| Particulars | For the year ended | | For the year ended | |
|--------------|--------------------|----------|--------------------|------------|
| | 31 March 2012 | | 31 March 2011 | |
| | Amount (Rs.) | % | Amount (Rs.) | % |
| Oil Cakes | - | - | 93,395,395 | 20.50 |
| Expeller Oil | - | - | 360,286,914 | 79.10 |
| Others | - | - | 1,828,840 | 0.40 |
| Total | - | - | 455,511,149 | 100 |

Details of Goods Traded

| Particulars | For the year ended | | For the year ended | |
|-----------------------|--------------------|---------------|--------------------|---------------|
| | 31 March 2012 | | 31 March 2011 | |
| | Amount (Rs.) | % | Amount (Rs.) | % |
| Copper Scrap | 17,127,184 | 32.00 | 56,254,594 | 20.63 |
| Pigment Blue 15.3 | 16,362,000 | 31.00 | - | - |
| Extraction | 9,960,000 | 18.00 | 35,211,330 | 12.91 |
| Solvent Extracted Oil | - | - | 32,514,536 | 11.93 |
| Expeller Oil | - | - | 97,376,957 | 35.71 |
| Guar Refined Dal | 10,062,500 | 19.00 | - | - |
| Phthalic Anhydride | - | - | 51,294,659 | 18.81 |
| Total | 53,511,684 | 100.00 | 272,652,076 | 100.00 |

39. Related Party Disclosures

| (a) | Name of the related party | Nature of relationship |
|-----|---|--|
| | Shri S. B. Jhaveri | Key Management Personnel |
| | Shri P. S. Jhaveri | |
| | Phthalo Colours & Chemicals (I) Ltd. | Enterprises over which key management personnel are able to exercise significant influence |
| | Nanavati Sons Private Ltd. | |
| | Nanavati Electronics Private Ltd. | |
| | Sonera Investments Private Limited | |
| | Sonera Trades & Investments Private Limited | |
| | Nanavati Chemex Private Limited | |
| | Medchem Technologies Private Limited | |
| | Sonera Enterprises | |
| | Phthalo Impex | |
| | Nanavati Speciality Chemicals Private Ltd. | |



(b) Transactions with the related parties during the year

| Nature of transactions | Key management personnel and its relative | Enterprises over which key management personnel are able to exercise significant influence | Total |
|--|---|--|-----------------------------|
| Miscellaneous Expenses | | | |
| Nanavati Speciality Chemicals Private Limited (Air Conditioning, Service Charges) | - (---) | - (201,384) | - (201,384) |
| Nanavati Electronics Private Limited (Computer Service Charges) | - (---) | - (72,000) | - (72,000) |
| Rent | | | |
| Nanavati Sons Private Limited | - (---) | 47,113 (47,113) | 47,113 (47,113) |
| Loan received | | | |
| Sonoga Trades & Investments Pvt. Ltd. | - (---) | - (5,000,000) | - (5,000,000) |
| Loan repaid | | | |
| P. S. Jhaveri | - (21,450,000) | - (---) | - (21,450,000) |
| Remuneration to key management personnel | | | |
| - Managerial remuneration | | | |
| S. B. Jhaveri | 417,999 (632,641) | - (-) | 417,999 (632,641) |
| P. S. Jhaveri | - (594,205) | - (-) | - (594,205) |
| Issue of Zero Coupon Redeemable Preference shares | | | |
| Nanavati Sons Private Limited | - (---) | 2,500,000 (-) | 2,500,000 (-) |
| Sonoga Trades & Investments Pvt. Ltd | - (---) | 5,000,000 (-) | 5,000,000 (-) |
| S. B. Jhaveri | - (---) | 1,500,000 (-) | 1,500,000 (---) |
| Interest paid | | | |
| Sonoga Trades & Investments Pvt. Ltd | - (-) | 657,535 (310,274) | 657,535 (310,274) |
| Nanavati Sons Private Limited | - (-) | 43,836 (50,000) | 43,836 (50,000) |
| S. B. Jhaveri | 26,302 (30,000) | - (-) | 26,302 (30,000) |
| P. S. Jhaveri | 876 (99,729) | - (-) | 876 (99,729) |
| Sale of land | | | |
| P. S. Jhaveri | - (21,450,000) | - (---) | - (21,450,000) |
| Sales | | | |
| Phthalo Colours & Chemicals (I) Limited | - (---) | 17,627,211 (110,204,917) | 17,627,211 (110,204,917) |
| Recovery of Expenses | | | |
| Phthalo Colours & Chemicals (I) Limited | - (---) | 388,642 (533,494) | 388,642 (533,494) |
| Outstanding as at year end | | | |
| Receivables | - (---) | 19,996,846 (54,352,993) | 19,996,846 (54,352,993) |
| Unsecured Loan | | | |
| S. B. Jhaveri | - (1,500,000) | - (---) | - (1,500,000) |
| P. S. Jhaveri | 50,000 (21,500,000) | - (---) | 50,000 (21,500,000) |
| Nanavati Sons Private Limited | - (---) | - (2,500,000) | - (2,500,000) |

Figures in brackets pertain to the figures of previous year.

INDIAN EXTRACTIONS LIMITED



40. The accumulated losses of the Company have substantially eroded the net-worth of the Company as at the year-end. The Company has exited from its core business of solvent extraction and refinery during the year and permanently discontinued its manufacturing operations. Also plant & machinery, land & building and trademark pertaining to core business has been sold off during the year. The management has charted out plan for diversification into new areas of activities like trading in chemicals, merchant exports, commodity trading, warehousing, trading in deoiled cakes and refined oil, logistic business etc. As a part of deversification the management has successfully entered into the business of chemicals exports and commodity trading.
41. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosures made in the financial statements. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No. 110963W

Sunil Modi
Partner
M.No.42562
Date: 24 May, 2012

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI
Chairman & Managing Director

P.S.JHAVERI

Jt. Managing Director

Anand K Datal
Asit D. Javeri
Ankur M. Maneck
Directors

Shivangi Dave
Company Secretary

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 ANNUAL GENERAL MEETING of the Company being held on Monday, the 24th September, 2012 at 3.45 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

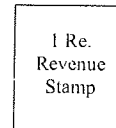
Member/Members of the above name Company, hereby appoint _____ or failing him/her _____ of _____ as

my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company being held on Monday, the 24th September, 2012 at 3.45 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 _____, 2012

Membership Folio No. _____

No. of Shares held _____



Important :

- Revenue Stamp of 1 Re. is to be affixed on this form.
- The form should be signed across the stamp as per specimen signature registered with the Company.
- 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.
- A proxy need not be a Member.

BOOK-POST

INDIAN EXTRACTIONS LIMITED



If undelivered Please Return to:

INDIAN EXTRACTIONS LIMITED

REGISTERED OFFICE :

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