

INDIAN EXTRACTIONS LIMITED

**57TH ANNUAL REPORT
2012 - 2013**

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INDIAN EXTRACTIONS LIMITED
MUMBAI

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		Mrs. SHIVANGI DAVE
AUDITORS	:	M/S.THINGNA & 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-Seventh Annual General Meeting** of **INDIAN EXTRACTIONS LIMITED** will be held on **Friday, 13th September, 2013, at 3.00 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 Report of the Auditor's together with the Audited Accounts of the Company for the year ended 31st March, 2013.
2. To consider and adopt the Report of the Directors for the year ended 31st March, 2013.
3. To appoint a Director in place of Shri Anand Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ankur Maneck, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditor and to fix their remuneration.

SPECIAL BUSSINESS:

6. 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 Priyam S. Jhaveri as the Joint Managing Director of the Company for the period of 5 years (Five years) with effect from 1st September 2013 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 August 2013 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Priyam S. Jhaveri, a draft whereof is placed before this meeting and initiated by the Chairman for the purpose of identification, the agreement is hereby specifically sanctioned with the power to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the remuneration committee constituted by the Board of Directors) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement, if required, 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 Priyam S. Jhaveri."

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year, aforesaid remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII shall be payable to Shri Priyam S. 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 6th September 2013 to 13th September 2013 (both days inclusive).
3. Members are requested to
 - (I) Expeditiously 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**

14th August 2013, Mumbai

**Shivangi Dave
Company Secretary**

ANNEXURE TO THE NOTICE

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

1. Resolution No. 6

The agreement between the Company and Shri Priyam S. Jhaveri appointing him as the Joint Managing Director of the Company is upto 31st August, 2013. 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 Priyam S. Jhaveri as the Joint Managing Director of the company with effective from 1st September, 2013 for a further period of 5 (Five) years.

Shri Priyam S. Jhaveri, aged 58 is a commerce graduate with diploma in business management. He is an Industrialist having rich experience in various businesses such as chemicals, solvent oil extraction, health care, education, real estate, commodity, trading and philanthropic activities. He is associated with the company for more than three decades. Considering the proactive contribution made by him in the company's various achievements together with future growth plans of the company, it is in the interest of the company to reappoint him as the Joint Managing Director for a further period of 5 (Five) years with effect from 1st September, 2013.

After considering the qualification, experience, expertise and contribution made by Shri Priyam S. Jhaveri in the growth and development of the company together with future plan for the new business areas for the Company and also on recommendation of remuneration committee, the board of directors have reappointed him as the Joint Managing Director of the company effective from 1st September, 2013.

Subject to approval from the members, it is proposed to reappoint Shri Priyam S. Jhaveri as the Joint Managing Director of the company effective from 1st September, 2013 and to pay the following remuneration within the overall limits specified in the Schedule XIII of the Companies Act, 1956, to Shri Priyam S. 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. 1,50,000/- 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 Priyam S. 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 Priyam S. 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. 6 of the accompanying notice.

Except Shri Shantilal B. Jhaveri and Shri Priyam S. Jhaveri, 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 Priyam S. 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 Priyam S. 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. 6 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:** Originally into Solvent extraction & refinery and now will be diversifying into new business.
- ii) **Date or expected date of commencement of commercial production:** as mentioned in the board of directors report the Company has exited from solvent extraction and refinery business manufacturing activity during financial year 2012-13 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, 2013:

Particulars	Rs. In lacs.
Sales and other income	3,06,74,895
Profit before tax	(21,24,878)
Provision for tax	—
Profit as computed under section 349 (5) Read with section 198.	(21,24,878)

iv) **Export performance and net foreign exchange earned for the financial year ended 31st March, 2013:** FOB value of exports Rs. NIL.

2. INFORMATION ABOUT THE APPOINTEES:

i) Background details:

Shri Priyam S. Jhaveri, aged 58 is a commerce graduate with diploma in business management. He is an Industrialist having rich experience in the various areas like chemicals, solvent oil extraction, health care, education, real estate, commodity, trading and philanthropic activities. He is the key promoter of the company and associated with the company for more than three decades.

ii) Past remuneration drawn:

Year	Shri. P. S. Jhaveri
2010 2011	4, 98, 371
2011 - 2012	Nil (*)
2012 - 2013	Nil (*)

(*) Shri Priyam S. Jhaveri has forgone his remuneration during Financial year 2011-12 & 2012-13 in view of financial losses together with adverse business circumstances.

iii) Job profile and suitability:

Shri P. S. Jhaveri has been entrusted with the overall responsibility of the company. Under his direction and supervision the management team of the Company is working out a plan to enter into new business areas. Also under his proactive and dynamic leadership the Company has sustained through the difficult business environment and successfully exited from its core business and also monetized its assets as well as paid off all debts and obligations. He is key person to work out plan for diversifications and new business area post exit from core business.

iv) Remuneration proposed:

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

Sr. No.	Head	Remuneration
a)	Salary	Upto Rs. 1,50,000/- 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 Priyam S. 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 Priyam S. Jhaveri with his experience, expertise and responsibilities shouldered by him and in comparison with industry benchmarks, the aforesaid remuneration package is reasonable and comparable to that of 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 Priyam S. Jhaveri do not have any other pecuniary relationship with the company and its managerial personnel. However, Shri Priyam S. Jhaveri is holding equity shares of the Company. Shri Shantilal B. Jhaveri and Shri Priyam S. Jhaveri are relative and interested in the resolution.

3. OTHER INFORMATION

1) **Reasons for loss / inadequate profits:**

The Solvent Extraction Industry, particularly in the Saurashtra region of Gujarat, has been facing a number of difficult years to carry on optimum manufacturing operations. There have been a number of factors contributing to make the operation unviable. One of the main contributing factors is the low availability of groundnuts for the crushing industry and thereby very low availability of De-Oiled Cake for the Solvent Industry. This is due to the fact that the seeds are used more for direct edible purposes as in cocktail

Besides the low availability of groundnuts for the crushing industry and therefore the Solvent Extraction Industry, the crop size has also reduced significantly on account of farmers preferring to diversify into other crops. The reason for the same has been the disparity in pricing due to dumping by countries like USA, Brazil & Argentina, which have had bumper crops, and the policy of the government to import refined edible oil from the neighbouring countries. This has resulted in our companies' manufacturing capacity being grossly un-utilized, unviable and uneconomical, to face the competition from huge refining capacities set-up by the multinationals.

Hence over the last few years, the company has witnessed year on year reduction in the capacity utilization of its crushing capacity as well as its refining capacity. Due to the low utilization of capacities, the company was forced into recurring losses during last couple of years.

Hence, due to the un-controllable external factors such as continuous disparity in business, volatility in foreign exchange, low availability of feed stock, un-economical size of capacity, made the operations unviable and hence forced the management to take the decision to exit from its core business of Solvent Extractions and oil refining after more than 55 years in the business.

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 Priyam S. Jhaveri is given in the explanatory statement herein above 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 forgone his remuneration during last two financial years 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 Priyam S. 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.

INDIAN EXTRACTIONS LIMITED



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**

14th August, 2013, Mumbai

**Shivangi Dave
Company Secretary**

DIRECTORS' REPORT

**Members,
AN EXTRACTIONS LIMITED**

Directors have pleasure in presenting 57th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:	Current Year Rs.	Previous Year Rs.
Profit/(Loss) for the year before providing for depreciation and interest and exceptional items	19,42,629	(80,46,736)
Interest	(41,07,754)	(2,06,29,852)
Depreciation	(6,61,745)	(21,46,205)
Profit/(Loss) after Depreciation	(28,26,870)	(3,08,22,793)
Exceptional Income	7,01,992	3,12,59,990
Provision for taxation	-	-
Profit/(Loss) after tax	(21,24,878)	4,37,197
Accumulated loss brought forward from previous year	(4,37,07,448)	(4,41,44,645)
Profit & Loss a/c amount carried forward to Balance sheet	(4,58,32,326)	(4,37,07,448)

DIVIDEND:

Directors express their inability to recommend declaration of any dividend for the year ended 31st March, 2013 due to losses.

EXPLANATIONS:

As you are aware and communicated during last year report, the Company has exited solvent extraction and edible oil manufacturing and business considering various uncontrollable variables and continuous losses with a view to protect stakeholders' interest. The assets monetization has helped the Company to cut losses and also totally discharge its banking liabilities and other obligations.

Company operations resulted in a turnover of Rs. 2.91 Cr as against Rs. 9.80 Cr for the previous year. Profit before interest and depreciation amounted to Rs. 19.43 lacs as against Loss of Rs. 80.47 Lacs in the previous year. The net loss for the year ended 2012-13 amounted to Rs. 21.25 lacs after taking into account exceptional income of Rs. 7.02

INDIAN EXTRACTIONS LIMITED



PROSPECTS & DEVELOPMENTS:

Post exit from core business, the management 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. However the same has been delayed due to conservative and cautious approach by the management in view of various external unfavorable factors together with business uncertainties associated in new areas planned to be entered particularly under prevailing economic circumstances.

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 Anand R. Dalal and Shri Ankur M. Maneck are retiring 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 not applicable since the Company has not carried out any manufacturing activity during the year.

DEPOSITS:

There were neither overdue Fixed Deposits nor new Fixed Deposits have been accepted during the year.



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

EXPLANATION ON AUDITORS REPORT:

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

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: 14th August 2013

Annexure I

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

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 shareholders' value.

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to enhance and protect the interest of its stakeholders at all levels. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders. Accordingly the Company has established good practice in Corporate Governance which is implemented by the Board of Directors. 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 controls.

2. Board of Directors:

As on March 31, 2013 the Board comprised of Six (6) Directors of which Two (2) are Executive Directors. The details for the Board of Directors are as under:

Shri Shantilal B. Jhaveri	Promoter	Executive / Chairman
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 rich and varied experience and also they contribute an active role in the meetings of the Board and its committees.

None of Directors of the Company is either member in more than ten committees and/or Chairman of more than five committees in other companies in which he is Director.

3. Board Meetings:

During the year 2012-2013, there were in total Four (4) board meetings held on 24th May, 2012, 6th August, 2012, 7th November, 2012 and 11th February, 2013. The time gap between the two meetings was in accordance with the requirements. All the information required to be furnished to the Board was made available along with detailed Agenda.

The composition of the Directors and their attendance at the Board Meetings during the year ended March 31, 2013 and at the last Annual General Meeting held on September 24, 2012 are as follows:

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attended	
Mr. Shantilal B. Jhaveri	4	4	Yes
Mr. Priyam S. Jhaveri	4	4	Yes
Mr. Asit D. Javeri	4	4	Yes
Mr. Anand R. Dalal	4	1	Yes
Mr. Amit B. Shah	4	4	Yes
Mr. Ankur M. Maneck	4	4	Yes

4. Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. A declaration regarding compliance of Code of Conduct by the Board is separately annexed to this Report.

5. Audit Committee:

Pursuant to clause 49 of the Listing Agreement, Audit Committee is duly constituted comprising of Four (4) Directors, of which all are Independent Directors. As on March 31, 2013 composition of members of Audit Committee and their details are mentioned below:

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 financially literate and have accounting knowledge

The terms of reference of Audit Committee include inter alia systematic review of accounting policies and 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. 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. The 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.

6. Shareholders/Investors Grievance Committee:

Shareholders/Investors Grievance Committee comprise of 4 (Four) Directors. The Chairman of SGC Committee is a Non-Executive Director. As on March 31, 2013 composition of members of SGC Committee and their details are mentioned below:

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 functions and powers of the Committee also include approval / allotment / rejection of transfer / transmission of equity share, issue of duplicate certificates, allotment of Shares and securities from time to time. Information relating to Shareholders/Investor Complaints and all share transfers are regularly placed before the Committee.

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, 2013 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
NIL	NIL	NIL

The minutes of 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, 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.

7. 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.

8. Service Contract and Severance Fees:

The appointment of Shri Shantilal B. Jhaveri, 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 2012-13 are as under:

Directors	Remuneration paid/payable during 2012-2013 (Rs.)				Shares held by Non-Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	
Shri Shantilal B. Jhaveri *	NIL	2,62,524	NIL	2,62,524	N.A.
Shri Priyam S. Jhaveri * #	NIL	NIL	NIL	NIL	N.A.
Shri Asit D. Javeri	6,000	NIL	NIL	6,000	4,700
Shri Anand R. Dalal	1,500	NIL	NIL	1,500	30,000
Shri Amit B. Shah	6,000	NIL	NIL	6,000	NIL
Shri Ankur M. Maneck	6,000	NIL	NIL	6,000	2,375
Total:	19,500 =====	2,62,524 =====	NIL =====	2,82,024 =====	

* Not eligible for sitting fees and 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

9. Disclosures:

i) The Board has received disclosures from Directors and/or 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, if any, 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 Company Secretary who is also Compliance Officer 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.

10. Reconciliation of Share Capital

A qualified practicing Chartered Accountant / 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.

11. 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.

12. Compliance:

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

13. Number of Directorship / Chairmanship held in other Companies as on March 31, 2013:

Sr. No.	Name of the Director(s)	Executive/Non-Executive/Independent	No. of outside Directorship in other Ltd. Companies inc. Pvt Ltd.	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	11*	-	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

SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date and Time: 13th September, 2013 at 3.00 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	24 th September, 2012 at 3.45 p.m.	22 nd September, 2011 at 3.30 p.m.	29 th September, 2010 at 3.30 p.m.
Venue	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.	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.

b) Date of Book Closure: 6th September 2013 to 13th September 2013 (both days inclusive)

**c) Dividend Payment:**

Dividend Declared: NIL

d) Listing on Stock Exchange(s):

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

e) Stock Codes:

Security Code No. 524614 – Bombay Stock Exchange Limited.

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

f) Financial Calendar:

Unaudited Results with Limited Review for the Quarter	Due Date	Annual Audited Accounts Due Date
30 th June 2013	14th August 2013	31 st March 2014
30 th Sept. 2013	14th November, 2013	30 th May 2014
31 st Dec. 2013	14th February, 2014	

g) Stock Market Data:

Month/Year	Volume	Mumbai Stock Exchange	
	Nos.	High (Rs.)	Low (Rs.)
April 2012	6,519	6.85	5.65
May 2012	900	6.51	6.51
June 2012	11,368	6.5	1 6.
20 July 2012	7,645	6.40	5.35
August 2012	6,745	6.30	5.99
September 2012	324	7.38	6.39
October 2012	6,14 4	8.09	5.30
November 2012	335	6.19	5.28
December 2012	628	7.14	5.88
January 2013	4,271	8.04	6.46
February 2013	101	8.82	8.40
March 2013	25	8.38	8.38

h) 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.

i) 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 15 days.

j) Shareholding Pattern:

Shareholding Pattern as on 31st March 2013.

Category	No. of Shares Held	% of Shareholding
A Promoter's Holding		
1 Promoters - Indian Promoters - Foreign Promoters	2188333	65.57
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)	4300	0.13
c FIIs		
4 Others	NIL	NIL
a Private Corporate Bodies	103852	3.11
b Indian Public	920015	27.56
c NRI's/OCB's	64600	1.93
d. Independent Directors & Relatives	37900	1.14
e. Present Employees	14300	0.43
f Any other (Clearing Members)	4333	0.13
Grand Total	3337633	100.00

k) Distribution of Share:

Distribution of shareholding as on 31st March, 2013.

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	2160	88.82	304391	9.12
501-1000	113	4.65	98952	2.96
1001-2000	75	3.08	112402	3.37
2001-3000	15	0.62	38971	1.17
3001-4000	10	0.41	35817	1.07
4001-5000	12	0.49	57150	1.71
5001-10000	20	0.82	144023	4.32
above 10001	27	1.11	2545927	76.28
Total	2432	100.00	3337633	100.00

l) 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, 2013, 2609833 Equity Shares comprising of 78.19% 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 2012-13.

m) Plant Location:

The Company has discontinued its manufacturing activity and sold out plant hence not applicable.

n) Investors Correspondence:

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
The Compliance Officer Indian Extractions Ltd. Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai - 400 001.	Indian Extractions Limited Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai - 400 001	Link Intime India Pvt C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), 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, 2013.

For and on Behalf of the Board

S. B. JHAVERI
Chairman & Managing Director

Mumbai, Dated, 28th May 2013



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

Name	Age	Educational Qualification	Experience	
Mr. Anand R. Dalal	57 yrs	B. A. (Economics) – University of Bombay M.M.S. (Management Science) – University of California & Los Angeles	Mr. Anand R. Dalal has over 28 years of varied experience in the Engineering Consulting and Construction business. He is presently the Managing Director of R. L. Dalal and Company. He has been responsible for the successful completion of a number of multi-disciplinary management and engineering projects spread across various industrial and commercial sectors, on the domestic as well as the international fields. He has also been actively involved in construction projects from concept to commissioning.	The Board of Directors had first appointed Mr. Anand R. Dalal as an Additional Director of the Company when the Company was a Private Limited Company with effect from 9/6/1988. Mr. Anand R. Dalal is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.
Mr. Ankur M. Maneck	56 yrs	B. Com. LLB(G) ACA	He is a Chartered Accountant and associated with Navavati Group since 1980. He is having vast experience in the field of accounts, finance, taxation, commercial & property matters and public relations..	The Board of Directors had first appointed Mr. Ankur M. Maneck as an Additional Director of the Company with effect from 27/01/2003. Mr. Ankur M. Maneck is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

INDIAN EXTRACTIONS LIMITED



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. Anand R. Dalal	<ol style="list-style-type: none">1. R.L. Dalal & Company Private Limited2. CBL Combustion Systems Private Limited3. Euro Asia Project Services Limited4. Mabula Properties Private Limited	<ol style="list-style-type: none">1. Indian Extractions Limited<ol style="list-style-type: none">a. Audit Committeeb. Shareholders' / Investors' Grievance Committeec. Remuneration Committee
Mr. Ankur M. Maneck	<ol style="list-style-type: none">1. Nanavati Speciality Chemicals Private Limited2. Nanavati Chemex Private Limited3. Phthalo Impex	<ol style="list-style-type: none">1. Indian Extractions Limited<ol style="list-style-type: none">a. Audit Committeeb. Shareholders' / Investors' Grievance Committeec. Remuneration Committeed. Share Transfer Committee

For and on Behalf of the Board

S. B. JHAVERI
Chairman & Managing Director

Place: MUMBAI
Dated: 28th May 2013

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, 2013 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 2013 no investor grievances are pending against the Company as on 28th May, 2013 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 C. Modi
Partner
Membership No. 042562
Place: Mumbai
Date: 28 May, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

As you are aware the Company has already exited from its almost six decade old business of manufacturing and export of solvent extraction and edible groundnut oil. The same was very painful decision but at the same time it was inevitable due to continuous losses, reduction in groundnut crop availability, changed global and Indian consumption pattern and unfavorable import policy making difficult to run the business. The management has adopted policy of cutting down losses and monetization of assets to pay off all debts and obligations. The management was successful in achieving same and paid off all its obligations and debts and also pleased to inform that stakeholders' value is being protected.

Considering exit from the established business and teething problem to enter into new business segments, the performance of the Company was reasonably satisfactory for the financial year ended on 31st March 2013. The Management took proactive measures to effectively cut the losses and protect stakeholder's value besides repayment of all debts. The year has witnessed major change for the Company due to exit from almost six decade old business and also faced many challenges to enter into new business areas particularly chemicals, commodity trading and other trading.

Currently the management of your Company's is charting out sustainable business plan to diversify as well as to start new business areas. Due to inflationary market conditions, recession in most of market areas, sluggish demand, high cost of funding, increased need of working capital etc. factors together with lack of business confidence due to policy bottleneck in India has resulted entry barrier for our size of Company to enter and diversify into new business areas. The management is working very cautiously to enter and diversify into new business areas due to said factors with a view to protect and enhance stakeholder's value. The management is actively considering to enter into chemical and trading business.

B. OPPORTUNITIES, THREATS, RISK AND CONCERNS

The management is considering and working actively to enter into new business areas mainly into chemicals and trading. The key threat areas for your Company would be government policies, taxation structure, foreign exchange fluctuations and general domestic and global demand situation. Availability of skilled manpower and work force would be another set of challenges to enter into the new business segment.

Your Company has identified the major thrust areas of sensitive business factors to concentrate on for successful entry into new business areas which it believes to be critical for successful diversification and setting up sustainable business model for enhancing stakeholders' value. A well-defined structure has been laid down to assess, monitor and mitigate risk associated with these areas on a continuous basis.

C. OUTLOOKS FOR 2013-2014

The management expects turnaround into global and domestic demand pattern during the financial year 2013-14 which will help them to diversify and establish into new business areas successfully. Also the company is considering certain potential new business segments and charting out future plan to pursue and enter into the same. The main focus areas are chemicals, trading and distribution network.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has reasonable integrated internal control system which is deemed to be adequate considering the nature and scale of our class of business.

E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year under review, your Company has achieved satisfactory financial performance considering the exit of its core business activity. Your Company has successfully exited from the manufacturing and business of solvent extraction and edible oil. The management has monetized its plant & machinery, land and building during the year and repaid all its liabilities. Barring unforeseen circumstances the management estimates successful entry into new business areas particularly chemicals and trading.

F. MATERIAL DEVELOPMENTS ON HUMAN RESOURCES

Due to exit from core business the Company has retrenched most of its human resources except keeping bare minimum to meet current need of operations. The management has charted out Human Resource programs and initiatives to meet the future business plans and needs. Your Company believes in investing in people to develop and expand their capability. During the year the Company has realigned its manpower strength to meet its business plans and reduce cost.

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

S. B. JHAVERI

Chairman & Managing Director

Place: MUMBAI

Dated: 28th May, 2013

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF INDIAN EXTRACTIONS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **Indian Extractions Limited** ("the Company"), which comprises the Balance Sheet as at 31st March 2013, the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of 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;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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
(Registration No. 110963W)

Sunil C. Modi
Partner
Membership No. 042562
Place: Mumbai
Date: 28th May, 2013.

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 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, 2013

(i) Fixed Assets

- a) The company has maintained fixed asset register showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the management, at reasonable intervals, has physically verified fixed assets and no serious discrepancies were noticed on such verification, as compared with the book records.
- c) In our opinion and according to the information and explanations given to us, the disposals of assets during the year were not substantial so as to have an impact on the operations of the company, or affect its going concern.

(ii) Inventory

- a) **As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.**
- b) **In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and the nature of its business.**
- c) **In our opinion and according to the information and explanations given to us and on the basis of records of inventory produce to us, the Company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of inventory as compared to book records.**

(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

b) At the year end, the outstanding balance of such loan taken aggregated Rs. 1,00,000/-, and the maximum amount involved during the year was Rs. 77,50,000/-. 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.

c) 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 the sale of goods and 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, we are of the opinion, that the transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 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, where such market price is available.**

(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

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 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, income-tax, sales-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 were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess, Value Added Tax and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six month from the date they became payable.

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, 2013 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	34.63	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 loss at the end of the current financial year but has earned cash profit in the immediately preceding financial year.

(xi) **Repayment of dues**

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders during the year.

(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.

(xiii) **Chit Fund**

In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit fund/society are not applicable to the company.

(xiv) **Investment company**

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

(xv) **Guarantee issued**

In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.

(xvi) **Utilisation of term loans**

In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year. Hence, this clause is not applicable.

(xvii) **Utilisation of short-term loans**

In our opinion and according to the information and explanation given to us and on an overall examination of the balance sheet, no funds raised on a short-term basis have been used for long-term investment.

(xviii) Preferential Allotment

In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act during the year.

(xix) Debentures

According to the information and explanations given to us and the records examined by us, no debentures have been issued by the company during the year.

(xx) End use of Public Issue

According to the information and explanations given to us, the Company has not raised funds by public issue during the year.

(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 C. Modi
Partner
M. No. 042562
Mumbai: 28th May, 2013

(xviii) Preferential Allotment

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

Sunil C. Modi
Partner
M. No. 042562
Mumbai: 28th May, 2013

INDIAN EXTRACTION LIMITED
Balance sheet as at 31st March, 2013

(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	42,376,330
	(b) Reserves and surplus	4	17,465,342	20,402,896
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	5	558,696	5,961,549
	(b) Deferred tax liabilities (Net)	6	-	-
	(c) Other long term liabilities		-	-
	(d) Long-term provisions	7	1,884,991	1,939,628
4	Current liabilities			
	(a) Short-term borrowings	8	5,500,132	83,472,279
	(b) Trade payables		2,330,029	1,253,915
	(c) Other current liabilities	9	1,883,986	7,153,547
	(d) Short-term provisions	10	120,919	120,919
	Total		72,120,425	162,681,063
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets	11		
	(i) Tangible assets		45,029,791	45,783,658
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	212,733
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	12	-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	13	6,204,890	10,406,151
	(e) Other non-current assets	14	5,133,267	5,773,877
2	Current assets			
	(a) Current investments	12	-	-
	(b) Inventories	15	3,419,202	3,419,202
	(c) Trade receivables	16	7,224,730	92,044,357
	(d) Cash and cash equivalents	17	1,676,470	3,442,262
	(e) Short-term loans and advances	18	3,432,075	1,598,823
	(f) Other current assets	19	-	-
	Total		72,120,425	162,681,063

See Accompanying Notes form an integral part of the financial statements

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Reginsration No 110963W

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI
Chairman & Managing Director

P.S. JHAVERI
Jt.Managing Director

Sunil C. Modi
Partner
M.No.42562
Mumbai
Date 28th May, 2013

Amit B.Shah
Anand R Dalal
Asit D. Javeri
Ankur M. Maneck
Directors

Shivangi Dave
Company Secretary

Profit and Loss Statement for period ended 31st March, 2013

(Amount in Rs.)

Particulars		Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I.	Revenue from operations Less: Excise Duty	20	29,140,000 -	97,954,441 -
II.	Other income	21	1,534,895	844,826
III.	Total Revenue (I + II)		30,674,895	98,799,267
IV.	Expenses: Cost of materials consumed Purchases of Stock-in-Trade Changes in inventories of finished goods and Stock-in-Trade Employee benefits expense Finance costs Depreciation and amortization expense Other expenses	22 23 24 11 25	- 19,540,000 - 3,766,778 4,107,754 661,745 5,425,488	- 53,511,684 38,445,169 5,136,320 20,629,852 2,146,205 9,752,830
	Total expenses		33,501,765	129,622,060
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(2,826,870)	(30,822,793)
VI.	Exceptional items	27	701,992	31,259,990
VII.	Profit before extraordinary items and tax (V - VI)		(2,124,878)	437,197
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		(2,124,878)	437,197
X.	Tax expense: (1) Current tax (2) Deferred tax		- -	- -
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		(2,124,878)	437,197
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)		(2,124,878)	437,197
XVI.	Earnings per equity share: (1) Basic (2) Diluted		(0.06) -	0.13 -

See Accompanying Notes form an integral part of the financial statements

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Reginsration No 110963W

For INDIAN EXTRACTION LIMITED

S.B JHAVERI
Chairman & Managing
Director

P.S. JHAVERI
Jt.Managing
Director

Sunil C. Modi
Partner
M.No.42562
Mumbai
Date: 28th May, 2013

Amit B.Shah
Anand R Dalal
Asit D. Javeri
Ankur M. Maneck
Directors

Shivangi Dave
Company Secretary

INDIAN EXTRACTIONS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	CURRENT YEAR			PREVIOUS YEAR		
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit / (Loss) before tax including exceptional item			(2,124,878)			437,197
Adjustments for						
Depreciation		661,745			2,146,205	
Loss on sale of Fixed Assets (Net)		-			(285,861)	
Profit on sale of Land (Exceptional item)		(704,550)			(25,259,990)	
Interest and Finance Charges		4,107,754			20,629,852	
Sale of Trade Mark		-			(6,000,000)	
Interest Income						
On Bank Deposits	97,695			268,892		
On Income Tax, Sales Tax Refund etc	680,700			15,470		
On Others	-			-		
		(778,395)			(284,362)	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			3,286,554			(9,054,156)
			1,161,676			(8,616,960)
Adjustments for						
Decrease in Trade and other receivables		89,020,888			4,328,715	
Increase in Short term loans and advances		(1,833,252)			40,748,262	
Increase in Trade and other Payables		(4,248,084)			(55,603,438)	
			82,939,552			(10,526,461)
CASH (USED IN) / FROM OPERATIONS			84,101,227			(19,143,421)
Direct Taxes Paid			-			-
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		(A)	84,101,227		(A)	(19,143,421)
B. CASH FLOW FROM INVESTING ACTIVITIES						
Additions to Fixed Assets and Capital Work in Progress		(1,230,609)			(2,003,849)	
Proceeds from sale of Fixed Assets		1,427,338			98,658,267	
Sale of Trademark		-			6,000,000	
Interest Received		778,395			284,362	
NET CASH (USED IN) INVESTING ACTIVITIES		(B)	975,125		(B)	102,938,780
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Preference Shares		-			9,000,000	
Repayment of Term Borrowings		(83,375,000)			(80,594,801)	
Payment towards retrenchment compensation		640,610			(3,209,054)	
Interest Paid		(4,107,754)			(20,629,852)	
NET CASH FROM FINANCING ACTIVITIES		(C)	(86,842,144)		(C)	(95,433,707)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(A + B + C)	(1,765,792)		(A + B + C)	(11,638,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (OPENING BALANCE)			3,442,262			15,080,610
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (CLOSING BALANCE)			1,676,470			3,442,262

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. NIL) towards Margin Money, and towards fixed deposits from public Rs.Nil (Previous year Rs.NIL)

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No 110963W

Sunil C Modi
Partner
M No 42562
Mumbai
Date: 28th May, 2013

For INDIAN EXTRACTION LIMITED

S.B.JHAVERI
Chairman & Managing
Director

Amit B.Shah
Anand R Dalal
Asit D Javeri
Ankur M. Maneck
Directors

P.S. JHAVERI
Jt Managing Director

Shivangi Dave
Company Secretary

Notes forming part of the accounts for the year ended 31st March, 2013
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 BACKGROUND:

Indian Extraction Limited was incorporated on Sixth Day of February, 1956 under the Indian Companies Act of 1956 and listed on the Bombay Stock Exchange. 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 straight line /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 The company has completely discontinued its manufacturing operations in line with the management's decision as communicated.
- 4 The difference of Rs.8,12,676/- (Previous Year Rs.9,85,393/-) 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 NIL (Previous Year Rs. 66,766,968/-).

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.

l 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. ny 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.

3 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 2013		As at 31 March 2012	
	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	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	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	90,000	9,000,000
Total	3,427,633	42,376,330	3,427,633	42,376,330

3.b Reconciliation of shares outstanding at beginning and at the end of reporting period

I. Equity Shares

Particulars	Equity Shares 2012-13		Equity Shares 2011-12	
	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 2012-13		Preference Shares 2011-12	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	90,000	9,000,000	-	-
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	90,000	9,000,000

3.c I. Shareholders holding more than 5% of shares

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	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
Priyam Shantilal Jhaveri	497,000	14.89	497,000	14.89

II. Preference Shareholders holding more than 5% of shares

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shantilal Bhogilal Jhaveri	15,000	16.67	15,000	16.67
Nanavati Sons Private Limited	25,000	27.78	25,000	27.78
Sonega Trades & Investments Private Limited	50,000	55.56	50,000	55.56

4 Detailed working of Reserves and Surplus

Particulars	As at	As at
	31 March 2013	31 March 2012
	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	42,882,998	110,635,359
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	812,676	67,752,361
<i>(Of the above amount written back, the amount towards depreciation is Rs. 812,616 (Previous year Rs,985,393) and towards sale of free hold land Nil(previous year Rs. 66,766,968)</i>		
Closing Balance	42,070,322	42,882,998
e. Surplus		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	(43,707,448)	(44,144,645)
(+) Transfer from Reserves	(2,124,878)	437,197
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance	(45,832,326)	(43,707,448)
Total	17,465,342	20,402,896

5 Details of Long Term Liabilities

Long Term Borrowings	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
Secured		
(a) Term loans		
From Banks		
(Secured By Building, Stores, Spares, Plant & Machinery)	-	4,955,714
(Of The Above, Term Loan From Bank Is Guaranteed By Managing Directors)		
(Repayable In 20 Quarters To 28 Quarters)		
From Banks	458,696	955,835
(Secured By Hypothecation Of Car)		
(Repayable In 36 Instalments)		
	458,696	5,911,549
Unsecured		
(a) Loans and advances from related parties		
(of the above, Rs. Nil is guaranteed by Directors and / or others)	100,000	50,000
	100,000	50,000
Total	558,696	5,961,549

6. Details of Deferred Tax Liabilities/ Assets

Particulars	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
Depreciation on Fixed Assets	(157,285)	(484,886)
Debtors (Provision For Doubtful Debts)	(598,674)	(598,674)
Leave Salary u/s 43 (B)	18,806	20,627
Gratuity Payable	563,656	578,718
Deferred Tax Asset/(Liability)	(173,497)	(484,215)

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 2013	31 March 2012
	Rs.	Rs.
(a) Provision for employee benefits		
Gratuity (unfunded)	1,824,131	1,872,874
Leave Encashment (unfunded)	60,860	66,754
Total	1,884,991	1,939,628

8. Details of Short Term Borrowings

Particulars	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
Secured		
(a) Loans repayable on demand FROM BANKS	500,132	83,472,279
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.		
	500,132	83,472,279
Unsecured		
(a) Loans and advances from related parties (of the above, Rs. Nil is guaranteed by Directors and / or others)	5,000,000	-
	5,000,000	-
Total	5,500,132	83,472,279

9. Details of Other Current Liabilities

Particulars	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
(a) Current maturities of long-term debt	-	5,681,545
(b) Interest accrued and due on borrowings	655,695	655,695
(c) Unpaid Bonus	-	157
(d) Other Current Liabilities	650,009	-
(e) Gratuity Payable	339,763	-
(f) Bonus payables	158,909	184,888
(g) Statutory Dues Payable	79,610	631,262
Total	1,883,986	7,153,547

10. Short Term Provisions

Particulars	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
(b) Provision For Taxes		
Provision for Fringe Benefit Tax	86,126	86,126
Provision for Wealth Tax	34,793	34,793
Total	120,919	120,919

INDIAN EXTRACTIONS LIMITED



INDIAN EXTRACTION LIMITED

Notes No. 11 forming part of the accounts for the year ended 31st March, 2013

Fixed Asset Schedule

	Fixed Assets		Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to revaluations/ (impairments)	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
a												
	Tangible Assets-											
	Land-Freehold	8,137,781	-	8,137,781	-	-	-	-	-	-	8,137,781	8,137,781
	Land-Leasehold	41,143,954	-	41,143,954	6,242,000	-	-	811,674	-	7,053,674	34,090,280	34,901,954
	Buildings	304,469	714,871	1,019,340	221,853	20,951	-	1,002	-	243,806	775,534	85,616
	Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	1,319,284	-	1,319,284	1,200,410	13,168	-	-	-	1,213,578	105,706	118,874
	Vehicles	5,021,871	49,483	4,972,388	2,900,924	550,292	46,925	-	46,925	3,404,291	1,566,097	2,120,947
	Office equipment	2,858,458	13,600	2,872,058	2,436,972	77,334	34,639	-	34,639	2,479,667	352,392	421,486
	Sub - Total (a)	58,785,817	89,483	59,424,805	13,002,139	661,745	81,564	812,676	14,395,016	45,029,791	45,783,558	
	Capital Work In Progress	212,733	502,138	714,871	-	-	-	-	-	-	-	212,733
	Sub - Total (b)	212,733	502,138	714,871	-	-	-	-	-	-	-	212,733
	Grand - Total (a+b)	58,998,550	1,230,609	60,139,151	13,002,139	661,745	81,564	812,676	14,395,016	45,029,791	45,996,291	
	Previous years	305,633,323	181,877,654	125,755,618	118,628,799	2,146,305	106,759,238	67,752,361	79,760,127	45,996,391	187,007,524	

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:

(i) Freehold Land	Rs	99,429,911 (Gross)
(ii) Leasehold Land	Rs	38,148,650 (Gross)

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

Note No. 12 forming part of the accounts for the year ended 31st March, 2013

Details of Trade and Non-Trade Investments

	Particulars	As at	As at
		31 March 2013	31 March 2012
		Rs.	Rs.
A	Trade Investments (Refer A below)		
	(a) Investment Properties	-	-
	(b) Investment in Equity instruments	-	-
	(c) Investments in Preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in Debentures or Bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in Partnership Firms*	-	-
	(h) Other non-Current Investments (specify nature)	-	-
	Total (A)	-	-
B	Other Investments (Refer B below)		
	(a) Investment Properties	-	-
	(b) Investment in Equity Instruments	87,885	87,885
	(c) Investments in Preference Shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in Debentures or Bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in Partnership Firms*	-	-
	(h) Other Non-current investments (specify nature)	-	-
	Total (B)	87,885	87,885
	Grand Total (A + B)	87,885	87,885
	Less : Provision for diminution in the value of Investments	87,885	87,885
	Total	-	-

Particulars	2013	2012
	Rs.	Rs.
Aggregate amount of quoted investments (Market value of Rs. Nil (Previous Year ` Nil)	87,885	87,885
Aggregate amount of unquoted investments (Previous Year Rs. —)	-	-

A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	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
			2013	2012			2013	2012	2013	2012		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment Properties											
	<i>Sub - Total</i>											
(b)	Investment in Equity Instruments											
	<i>Sub - Total</i>											
(c)	Investments in Preference Shares											
	<i>Sub - Total</i>											
(d)	Investments in Government or Trust securities											
	<i>Sub - Total</i>											
(e)	Investments in Debentures or Bonds											
	<i>Sub - Total</i>											
(f)	Investments in Mutual Funds											
	<i>Sub - Total</i>											
(g)	Investments in partnership firms*											
	<i>Sub - Total</i>											
(h)	Other non-current investments (specify nature)											
	<i>Sub - Total</i>											
	Grand Total											



B. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	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
			2013	2012			2013	2012	2013	2012		
(a)	Investment Properties	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<i>Sub - Total</i>											
(b)	Investment in Equity Instruments											
	Elbee Services Limited	Others	500	500	Quoted	Fully Paid	Less Than 5%	70,000	70,000		No	
	Life Style Fabrics Limited	Others	2,300	2,300	Quoted	Fully Paid	Less Than 5%	17,885	17,885		No	
	<i>Sub - Total</i>							87,885	87,885			
(c)	Investments in Preference Shares											
	<i>Sub - Total</i>											
(d)	Investments in Government or Trust securities											
	<i>Sub - Total</i>											
(e)	Investments in Debentures or Bonds											
	<i>Sub - Total</i>											
(f)	Investments in Mutual Funds											
	<i>Sub - Total</i>											
(g)	Investments in partnership firms*											
	<i>Sub - Total</i>											
(h)	Other non-current investments (specify nature)											
	<i>Sub - Total</i>											
	Grand Total							87,885	87,885			

G. Investment in (Name of the Firm)		
Name of the Partners	Share of Capital	% Share
Partner 1		
Partner 2		
Total Capital		

13 Details of Long Term Loans and Advances

Particulars	As at 31 March 2013	As at 31 March 2012
	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	6,198,890	10,400,151
Doubtful		
Less: Provision		
	6,198,890	10,400,151
Grand Total	6,204,890	10,406,151

14 Details of Other Non-Current Assets

Non-Current Assets	As at 31 March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a. Miscellaneous Expenses				
Secured, considered good		-		-
Unsecured, considered good		5,133,267		5,773,877
Doubtful				
Less: Provision				
		5,133,267		5,773,877
Total		5,133,267		5,773,877

15 Details of Inventories

Particulars	As at 31 March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a. Raw Materials and components (Valued at cost)	-	-	-	-
b. Work-in-progress (Valued at _____)	-	-	-	-
c. Finished goods (Valued at Cost)	-	-	-	-
d. Stock-in-trade (Valued at Cost)	-	-	-	-
e. Stores and spares (Valued at Cost)	3,419,202	-	3,419,202	-
f. Loose Tools (Valued at Cost)	-	3,419,202	-	3,419,202
g. Others (Specify nature)	-	-	-	-
Total		3,419,202		3,419,202

16 Details of Trade receivable

Particulars	As at 31 March 2013	As at 31 March 2012
	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	384,593	85,214,553
- Unsecured, considered doubtful		
Less: Provision for doubtful debts	384,593	85,214,553
	384,593	85,214,553
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Secured, considered good		-
- Unsecured, considered good	8,777,593	8,767,260
- Unsecured, considered doubtful		
Less: Provision for doubtful debts	1,937,456	1,937,456
	6,840,137	6,829,804
Total	7,224,730	92,044,357

Trade Receivable stated above include debts due by:

Particulars	As at	As at
	31 March 2013	31 March 2012
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	384,593	19,996,846
Total	384,593	19,996,846

17 Details of Cash and Cash Equivalents

Particulars	As at 31 March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks*		1,656,017		3,406,855
This includes:				
Current Account Balances	1,656,017		3,406,855	
Margin money	-		-	
Bank deposits with more than 12 months maturity	-		-	
b. Cheques, drafts on hand				
c. Cash on hand*	20,453	20,453	35,407	35,407
d. Interest on FD				
Total		1,676,470		3,442,262

18 Details of short-term Loans and advances

Particulars	As at 31 March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a. Advance Recoverable From Creditors				
Secured, considered good				
Unsecured, considered good	3,432,075	3,432,075	1,598,823	1,598,823
Doubtful				
Less: Provision		3,432,075		1,598,823
Total		3,432,075		1,598,823

19 Other current Assets

Particulars	As at 31 March 2013		As at 31 March 2012	
	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 2013	31 March 2012
	Rs.	Rs.
Sale of Product	29,140,000	91,663,270
Settlement of Contracts	-	5,316,000
Export Incentive Received	-	975,171
	29,140,000	97,954,441
Less: Excise Duty	-	-
Total	29,140,000	97,954,441

21 Details of Other Income

Particulars	For the year ended	For the year ended
	31 March 2013	31 March 2012
	Rs.	Rs.
Interest Income	778,395	284,362
Sundry Credit Balance W/off	756,500	16,085
Net gain/loss on sale of Assets	-	285,861
Other non-operating income	-	258,518
Total	1,534,895	844,826

INDIAN EXTRACTIONS LIMITED



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

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Stocks at commencement:				
Finished goods	-	-	38,445,169	-
Work-in-process	-	-	-	-
Stock-in-trade	-	-	-	38,445,169
Stocks at year end				
Finished goods	-	-	-	-
Work-in-process	-	-	-	-
Stock-in-trade	-	-	-	-
Total				38,445,169

23 Details of Employee Benefits

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
(a) Salaries and incentives	2,623,868	3,038,078
(b) Contributions to -		
(i) Provident fund	294,592	325,328
(ii) Superannuation scheme	758,358	1,668,156
(c) Gratuity fund contributions	89,960	104,758
(d) Staff welfare expenses		
Total	3,766,778	5,136,320

24 Details of Finance Cost

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Interest expense	4,107,754	20,629,852
Total	4,107,754	20,629,852

25 Other Expenses

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Manufacturing expenses and other expenses - note no. 26	-	1,613,615
Electricity and Power expenses-office	108,857	20,955
Legal & professional fees	678,395	1,219,794
Insurance- other than factory	60,014	74,435
Repairs and maintenance- others	157,693	58,955
Director's fees	19,500	34,500
Telephone, postage & telegram	303,195	252,119
Rates and taxes (Excluding taxes on income)-office	2,400	3,550
Advertisement & sales promotions expenses	145,345	107,127
Commission Paid	-	44,613
Bad debts written off	-	55,862
Printing & stationery	79,623	130,273
Prior period items- note no.28	-	-
Audit Fees (Excluding service tax)- note no. 30	455,622	486,128
Miscellaneous expenses	296,949	210,957
Foreign Exchange Loss	-	403,707
Security charges Paid	128,000	348,000
Transport & Forward Charges	-	186,461
Freight & Shipping Charges	3,220	771,729
Retrenchment Compensation	1,556,684	1,373,469
Vehicle Expenses	248,707	683,181
Bank Charges	4,077	568,782
Travelling Expenses	363,463	556,057
Sundry Expenses	813,743	548,561
Total	5,425,488	9,752,830

26 Details of Manufacturing and Other Expenses

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
(a) Consumption of stores and spare parts	-	43,883
(b) Packing Material consumed	-	385,606
(c) Power and Fuel, Water charges	-	312,051
(d) Rent, rates & taxes- Factory	-	452,573
(e) Repairs to machinery	-	181
(f) Repairs to building	-	58,955
(g) Insurance- factory	-	294,194
(h) Other manufacturing expenses	-	66,172
Total	-	1,613,615

27 Details of Exceptional Items

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Profit on Disposal of Fixed Assets (Land)	704,550	25,259,990
Loss on Sale of Fixed Asset	(2,558)	-
Sale of Trademark	-	6,000,000
Total	701,992	31,259,990

28 Details of Prior period Items

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Not Applicable	-	-
Total	-	-

29 Details of contingent Liability Not Provided

Particulars	As at 31 March 2013	As at 31 March 2012
	Rs.	Rs.
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	-	-
(c) Other money for which the company is contingently liable	3,462,901	3,334,472
[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.]		
	3,462,901	3,334,472
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-
Total	3,462,901	3,334,472

30 Details of Payment of Auditors

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
a. auditor	449,440	449,440
b. for taxation matters	-	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	-	33,092
f. for reimbursement of expenses	6,182	3,596
Total	455,622	486,128

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

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Import of Copper Scrap on CIF Basis	-	17,127,184
Other matters	145,425	1,146,425
Total	145,425	18,273,609

32 Details of Consumption during the year

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Indigenous		Indigenous	
	Rs.	%	Rs.	%
Raw Materials	-	-	-	-
Components and spare parts	-	-	761,995	100
Capital Goods	-	-	-	-
Total	-	-	761,995	100

33 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, 2013	For the Year ended March 31, 2012
Provident Fund and Employee's Pension Scheme	177,387	325,328
Total	177,387	325,328

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, 2013	As at March 31, 2012
i Changes in present value of obligations		
Present value of as at beginning of year	1,358,607	2,106,051
Current service cost	50,096	87,211
Interest cost	115,482	168,484
Actuarial loss / (gain)	(349,345)	1,489,532
Benefit (paid)	(488,711)	(1,696,576)
Present value of obligations as at end of year	686,129	2,154,702
ii Changes in Fair Value of Assets		
Opening fair value of plan assets	281,828	1,794,114
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	24,237	143,529
Actuarial gain / (loss)	(8,768)	(103,169)
Contributions of employer	368,801	143,930
Benefits (paid)	(488,711)	(1,696,576)
Closing fair value of plan assets	177,387	281,828
iii Amount recognised in the Balance Sheet		
Present value of the obligations as at year end	(686,129)	(2,154,702)
Fair value of the plan assets as at year end	177,387	281,828
Net (asset) / liability recognised as on March 31, 2013	(508,742)	(1,872,874)
iv Expenses recognised in the Statement of Profit and Loss		
Current service cost	50,096	87,211
Interest on defined benefit obligation	115,482	168,484
Expected return on plan assets	(24,237)	(143,529)
Net actuarial loss/(gain) recognized in the current year	(340,577)	1,592,701
Total expense	(199,236)	1,704,867
v Asset information		
Insurer Managed Funds	177,387	281,828
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

Leave Encashment:

No Provision has been made in the accounts towards encashment of earned leaves not availed by the employees upto March 31, 2013. 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.

34 Earning Per Share (EPS)

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Profit/(Loss) attributable to equity shareholders	(2,124,878)	437,197
Weighted average number of shares outstanding during the year	3,337,633	3,337,633
Basic / Diluted Earnings per share	(0.64)	0.13
Nominal value per share	10	10

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

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs.	Rs.
Export of goods calculated on F.O.B basis	-	18,107,370
Total	-	18,107,370

36 Details of purchase of Raw Material/Goods

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amount (Rs.)	%	Amount (Rs.)	%
Total	-	-	-	-

Goods purchased

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amount (Rs.)	%	Amount (Rs.)	%
Copper Scrap	-	-	17,127,184	32
Pigment Blue 15.3	-	-	16,362,000	31
Rapeseed Extraction	-	-	9,960,000	18
Guar Refined Dal	19,540,000	100	10,062,500	19
Total	19,540,000	100	53,511,684	100

37 Related Party Disclosures

(a) Name of the related party	Nature of relationship
Shri S. B. Jhaveri	Key Management Personnel Enterprises over which key management personnel are able to exercise significant influence
Shri P. S. Jhaveri	
Phthalo Colours & Chemicals (I) Ltd.	
Nanavati Sons Private Ltd.	
Nanavati Electronics Private Ltd.	
Sonera Investments Private Limited	
Sonoga 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
Rent Nanavati Sons Private Limited	- (--)	47,113 (47,113)	47,113 (47,113)
Loan & Advances received S. B. Jhaveri	2,700,000 (--)	- (--)	2,700,000 (--)
Phthalo Colours & Chemicals (I) Limited	(--)	5,000,000	5,000,000
P. S. Jhaveri	100,000 (--)	- (--)	100,000 (--)
Loan & Advances Paid S. B. Jhaveri	- -	2,700,000 (--)	2,700,000 -
Remuneration to key management personnel - Managerial remuneration S. B. Jhaveri	290,832 (417,999)	- -	290,832 (417,999)
P. S. Jhaveri	- -	- -	- -
Issue of Zero Coupon Redeemable Preference shares Nanavati Sons Private Limited	- -	- (2,500,000)	- (2,500,000)
Sonega Trades & Investments Pvt. Ltd	- -	- (5,000,000)	- (5,000,000)
S. B. Jhaveri	- (1,500,000)	- -	- (1,500,000)

INDIAN EXTRACTIONS LIMITED

Interest paid			
Sonega Trades & Investments Pvt. Ltd	-	-	-
Nanavati Sons Private Limited	(-)	(657,535)	(657,535)
S. B. Jhaveri	(-)	(43,836)	(43,836)
P. S. Jhaveri	(26,302)	(-)	(26,302)
	(876)	-	(876)
Sales			
Phthalo Colours & Chemicals (I) Limited	-	-	-
	(---)	(17,627,211)	(17,627,211)
Recovery of Expenses			
Phthalo Colours & Chemicals (I) Limited	-	13,747	13,747
	(---)	(388,642)	(388,642)
Outstanding as at year end			
Receivables			
	(---)	(19,996,846)	(19,996,846)
Payables			
	-	384,593	384,593
	(---)	(---)	(---)
Unsecured Loan			
S. B. Jhaveri	-	-	-
	-	(---)	-
P. S. Jhaveri	100,000	-	100,000
	(50,000)	(---)	(50,000)
Nanavati Sons Private Limited	-	-	-
	(---)	-	-
Sonega Trades & Investments Pvt. Ltd.	-	-	-
	(---)	(---)	(---)

Figures in brackets pertain to the figures of previous year.

38. The accumulated losses of the Company have substantially eroded the net-worth of the Company as at the year-end.
39. Figures of the Previous year have been regrouped & rearranged wherever necessary to correspond with those of the current year.

For THINGNA & CONTRACTOR
Chartered Accountants
Firm Registration No 110963W

Sunil C Modi
Partner
M No 42562
Mumbai
Date: 28th May, 2013

For INDIAN EXTRACTION LIMITED

S B JHAVERI
Chairman & Managing Director

Amit B Shah

Anand R Dalal
Asit D Javeri
Ankur M Maneck
Directors

P S JHAVERI
Jt Managing Director

Shivangi Dave
Company Secretary

INDIAN EXTRACTIONS LIMITED

REGD. OFFICE: NANAVATI MAHALAYA, 18, HO MI 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 Friday, the 13th September, 2013 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, HO MI MODI STREET, FORT, MUMBAI 400 001



FORM OF PROXY

I/We _____ of _____ being a

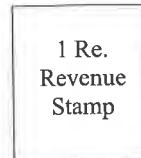
Member/Members of the above name Company, hereby appoint _____ or failing him/her _____ of _____ as

my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company being held on Friday, the 13th September, 2013 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 _____, 2013

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



If undelivered please Return to :

INDIAN EXRTACTION LIMITED

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