INDIAN EXTRACTIONS LIMITED

55th ANNUAL REPORT

2010 - 2011

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DIRECTORS	:	SHRI SHANTILAL B. JHAVERI Chairman and Managing Director
	:	SHRI PRIYAM S. JHAVERI Joint Managing Director
	:	SHRI ANAND R. DALAL
	:	SHRI ASIT D. JAVERI
	:	SHRI AMIT B. SHAH
	:	SHRI ANKUR M. MANECK
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

TO THE MEMBERS

NOTICE is hereby given that the Fifty-fifth Annual General Meeting of INDIAN EXTRACTIONS LIMITED will be held on Thursday, the 22nd September 2011 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai 400 001 to transact the following business:

GENERAL BUSINESS:

1) To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31st March, 2011.

2) To appoint a Director in place of Mr. Anand R. Dalal, who retires by rotation and being eligible, offers himself for reappointment.

3) To appoint a Director in place of Mr.Ankur M. Maneck, who retires by rotation and being eligible, offers himself for reappointment.

4) To appoint Auditors and fix their remuneration.

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.

2) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 15th September, 2011 to Thursday, the 22nd September, 2011 (both days inclusive).

3) Members are requested to

   (i) immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.

   (ii) write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.

4) Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.

5) The Members are requested to dematerialise their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.

6) As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.

7. Members are hereby informed that Dividends which remain unclaimed / unencashed over a period of seven years have to be transferred by the Company to Investor Education and Protection Fund ("Fund") constituted by the Central Government under Sections 205A and 205C of the Companies Act, 1956. The Company has already made necessary transfer to Fund set up by the Government of India upto last dividend declared by the Company for the financial year 2002-2003 and no payments shall be made in respect of any such claims by the Fund.

8. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the **Company/Share Transfer Agents** alongwith the relevant Share Certificates for consolidation of such Folios in one Folio.

9. As per requirement of Clause 49 VI(A) of the Listing Agreement with Stock Exchange, the particulars of Directors retiring by rotation and eligible for re-appointment are given in the Corporate Governance Section to this Annual Report.

10. Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 2:00 p.m. and 4:00 p.m. upto the date of the Annual General Meeting.

11. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By Order of the Board
For INDIAN EXTRACTIONS LIMITED

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR

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

Dated: 27th May, 2011

DIRECTORS' REPORT

To,
The Members,
INDIAN EXTRACTIONS LIMITED

Your Directors have pleasure in presenting 55th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS:	**Current Year Rs.**	Previous Year Rs.
(Loss)/Profit for the year before providing for Depreciation and interest and exceptional items	**(41,99,842)**	(21,09,678)
Less: Interest	**(2,23,53,791)**	(2,17,67,340)
Less: Depreciation	**(69,99,591)**	(67,88,758)
Loss after Depreciation	**(3,35,53,224)**	(3,06,65,776)
Add: Exceptional Item	**3,84,72,000**	--
Provision for Taxation Wealth	--	(9,249)
Deferred	--	--
Fringe Benefit Tax	--	--
	--	(9,249)
Profit / (Loss) after Tax	**49,18,776**	(3,06,75,025)
Less/Add: (Loss)/Profit brought forward from previous year	**(4,90,63,421)**	(1,83,88,396)
Amount available for appropriation	**(4,41,44,645)**	(4,90,63,421)

DIVIDEND:

In view of the accumulated losses, your Directors express their inability to recommend declaration of any dividend for the year ended 31st March, 2011.

OPERATIONS:

The year under review was a difficult year for the operations of the Company as the Company witnessed many adverse business factors and difficulties in its operations as broadly summarized as under:-

1) The Solvent Extraction Plant operations were practically paralyzed during the year and the capacity utilization was negligible considering the non-availability of groundnut oil cakes. Due to the disparity in the oil mill industry, the crushing of oil cakes was very low and consequently the availability for the solvent extraction industry.

   Besides bumper crops and surplus production of soyabean and cake in the international market and dumping of the same by USA, Brazil and Argentina resulted in price disparity through out the year for the export of deoiled cakes. These factors adversely impacted in the core business of the Company i.e. the Solvent Extraction Plant operations and exports.

2) Heavy import of refined edible oils as well as raw edible oils with nil import duty in the domestic market resulted in unremunerative operations for the solvent extraction industry and the oil milling industry.

3) The Company's refinery operated at an optimum level for most of the year. However on account of competition from cheaper imported oils, a volatile speculative market resulted in narrow margins for the refining operations of the Company.

4) Large refining capacities established by multinational Companies near the ports where raw edible oil is imported resulted in location disadvantage for the Company to refine imported raw edible oils. Also competition against multinationals having large capacities and marketing set up, marginalized the Company's refining business as a standalone operation.

However inspective of the adverse factors and challenges faced by the Company during the year, the Company maintained its turnover with mainly the refining and trading activities.

The significant under utilization of the extraction plant resulted in over all increased cost of operations and thereby resulting in further loss for the Company during the year.

The Company was able to process only 5557 MT of Solvent Extractions against 24789 MT in the previous year.

However the refinery processed 6101 MT of edible oils as compared to 4771 MT in the previous year.

In spite of increased operations of the refinery, due to speculative market conditions, high volatility in Crude unrefined oil prices and competition from localized brands as well as Multinationals resulted in very narrow margins and thereby the Company's over all performance resulted in losses.

In order to generate business income and a better bottom line, the Company diversified into trading of chemicals and commodities, achieving turnover of 6003 MT which supported the over all business operations and helped to maintain the previous year turnover and minimize losses due to the non-operation of the core business of the Company.

The refining activity and trading activity of the Company achieved and turnover of Rs.82.89 Crores as against Rs.80.40 Crores in the previous year.

The Company operations resulted in a loss before interest and depreciation of Rs.41.99 lacs as against Rs.21.10 Lacs in the previous year. This was on account of insignificant plant utilization of extraction plant which is the core business of the Company, wafer thin margins in the edible oil refining business and adverse market conditions as mentioned above.

However due to an exceptional item of sale of land, the Company recorded a profit at year end of Rs.49.19 Lacs as against a loss of Rs.306.75 Lacs during the previous year.

During the year under review, the Company sold its surplus vacant land admeasuring 70000 sq. ft. to Joint Managing Director of the Company at an aggregate consideration of Rs.385 Lacs, at the prevalent market rate, approved by the Board of Directors of the Company in their meeting on 12th March, 2010. The profit amounting to Rs.384.72 Lacs from the said sale has resulted in the Company recording a profit of Rs.49.19 Lacs for the year ended.

PROSPECTS & DEVELOPMENTS :

The management after undertaking various analysis and conducting market studies together with professional advisory has concluded to exit from the present business of the Company.

Due to the changed market conditions coupled with the speculative nature of business and high volatility in the pricing as well as disadvantages in comparison with very large scale capacities created by Multinational Companies, the Board after deliberation decided to discontinue present business operations permanently with a view to protect stakeholders value. Accordingly in conformity the Management is working out a systematic exit from the business.

In continuance of the decision taken by the Board of Directors, already the manufacturing operations are stopped and employment of majority of permanent workers and staff were terminated. The Management is working out alternative plans and options for utilization of the assets of the Company.

Further, for a sustainable future plan for the Company and with a view to enhance stakeholders value, the board has decided to foray into new business areas which includes manufacturing and trading in chemicals, merchant export business, trading in commodities, trading in refined edible oil under the Company's brand name and exports of deoiled cake, warehousing and logistic business and such other business incidental or ancillary to that. The Management is working out a systematic plan to enter into new areas of business in a phased manner.

As a part of reengineering exercise, the Company has also approached its Bankers, Union Bank of India for restructuring of finance facilities and the process for the same is going on and likely to be completed in coming quarter. The same will support future business plan for the Company and cash flows also.

In order to smoothly enter other lines of business, the Board has decided to go for amalgamation of Phthalo Colours & Chemicals (I) Ltd., un-listed Public Ltd. Company, with the company subject to necessary approvals from the Stakeholders, High Court and also compliance with the other statutory requirements in that connection.

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 stakeholder's value and create sustainable business model for the future of the Company.

DIRECTORATE :

Shri Anand R. Dalal and Shri Ankur M. Maneck retire at the ensuing Annual General Meeting. Being eligible, offer themselves, for reappointment as Directors. Your Directors recommend their reappointment.

CORPORATE GOVERNANCE :

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

PARTICULARS OF THE EMPLOYEES :

There are no employees to whom the disclosure requirements u/s.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended apply.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 is given in Annexure-II forming part of this report.

POLLUTION CONTROL :

The Company has taken steps to control pollution of effluents, dust and emission from chimneys etc. Samples are periodically drawn and reports are submitted to Pollution Control Board to ensure compliance with the standard.

DEPOSITS :

There were no overdue Fixed Deposits out of the outstanding amount of Rs. 7,15,000/- at the end of the year.

INSURANCE :

All the properties and insurable interest of the Company including Buildings, Plant and Machinery are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;

iv) the Directors have prepared the Annual Accounts on a "Going Concern" basis.

EXPLANATION ON AUDITORS REPORT :

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

With regards to qualification in the auditors report, the board of directors would like to comment that the Company has entered into a definite contract for sale of special quality of groundnut extraction with various parties. Due to various factors the parties had requested the Company for taking deliveries of the goods under said contract on a piecemeal basis over a period of time.

Since the significant amount of contract value has been already received and the parties have confirmed to lift material in due course and material is ready for delivery with the company but was held as stock on the specific request of respective parties, the management is of the view that there is no uncertainty is involved in such transactions and accordingly has valued the specific quality of groundnut extraction stock under said contract at realizable market value which is not in accordance with Accounting Standard 2 "Valuation of Inventories".

However, considering the nature of transaction, definite sales contract and factual position the management and the board of directors is of the opinion to value such stock at a fair realizable market value for proper presentation of the financial statement for the year ended on 31st March 2011 and the same is consistent accounting practice adopted by the Company.

AUDITORS :

You are requested to appoint Auditors and fix their remuneration.

ACKNOWLEDGMENT :

Your Directors wish to place on record their appreciation for the continued support received from shareholders, depositors and bankers of the Company. The Directors also wish to record their appreciation of the employees at all levels for their unstinted efforts and contribution to the growth of the Company.

For and on behalf of the Board

S. B. JHAVERI
CHAIRMAN & MANAGING DIRECTOR

Place : MUMBAI
Dated: 27th May 2011

ANNEXURE-I TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Indian Extractions Limited believes that Corporate Governance is not an end in itself but is a catalyst in the process towards enhancement of shareholder value. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. Therefore, shareholder value as an objective is woven into all aspects of Corporate Governance the underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices.

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

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

BOARD OF DIRECTORS :

Composition of the Board and Directorship held in other Companies as on 31st March, 2011

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

* including Foreign Company

Attendance record of the Directors :

During the Financial year 2010-2011, Meetings of Board of Directors were held on the following days:-
29th May 2010, 12th August 2010, 12th November 2010, 10th February 2011.

Annual General Meeting was held on 29th September, 2010.

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

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attended	
Mr.Shantilal B. Jhaveri	4	4	Yes
Mr. Priyam S. Jhaveri	4	4	Yes
Mr. Asit D. Javeri	4	4	No
Mr. Anand R. Dalal	4	3	Yes
Mr. Amit B. Shah	4	3	Yes
Mr. Ankur M. Maneck	4	3	Yes

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

Code of Conduct for Board Members and Senior Management:

The Company has adopted the Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Managing Director, Jt. Managing Director as well as Senior Management Personnel regarding compliance of the Code during the year under review.

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

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

AUDIT COMMITTEE :

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

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

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

The Role of the Audit Committee shall be as under:

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

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

The Audit Committee shall mandatory review the following information:

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

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

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

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

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

All the suggestions / recommendations of the Audit Committee during the financial year 2010-11, have been accepted by the Board of Directors.

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

The attendance record of each member of the Audit Committee at the Meetings held on 29/05/2010, 12/08/2010, 12/11/2010, and 10/02/2011 are as follows:

Name	Date of Appointment	Non-Executive/Independent	Numbers of Meetings	
			Held	Attended
Mr. Asit D. Javeri	19-09-2002	Non-Executive, Independent	4	4
Mr. Anand R. Dalal	19-09-2002	Non-Executive, Independent	4	3
Mr. Amit B. Shah	27-01-2003	Non-Executive, Independent	4	3
Mr. Ankur M. Maneck	27-01-2003	Non-Executive, Independent	4	3

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

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

RISK MANAGEMENT :

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

SHAREHOLDERS / INVESTORS GRIEVANCES:

The Shareholders/Investors Grievance Committee consists the following Directors:

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

Terms of Reference

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

The meetings of Investors Grievance Committee were held on 29/05/2010, 12/08/2010, 12/11/2010, and 10/02/2011.

The details of Complaints received and redressed during the financial year 2010 - 2011 are as under:

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

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

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

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

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

REMUNERATION COMMITTEE :

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

1. The Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee whenever required by it.
3. The Remuneration Committee shall have the following powers and functions:
   a. To recommend to the Board, the terms and conditions of appointment of key Management personnel.
   b. To seek information from any employee.
   c. To obtain outside legal or other professional advice.

REMUNERATION POLICY :

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

The Remuneration Committee consists of the following Directors:

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

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.

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

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

The Remuneration paid to the Directors of the Company during the financial year 2010-2011 is as under:

Directors	Remuneration paid/payable during 2010-2011 (Rs.)				
	Sitting Fees	Salary & Perks	Commission	Total	Shares held by Non-Executive Directors
Shri Shantilal B. Jhaveri*	NIL	482,825	NIL	482,825	N.A.
Shri Priyam S. Jhaveri*	NIL	498,371	NIL	498,371	N.A.
Shri Asit D. Javeri	6,000	NIL	NIL	6,000	4,700
Shri Anand R. Dalal	4,500	NIL	NIL	4,500	30,000
Shri Amit B. Shah	4,500	NIL	NIL	4,500	NIL
Shri Ankur M. Maneck	4,500	NIL	NIL	4,500	3,200
Total:	**19,500**	**#9,81,196**	**NIL**	**10,00,696**	

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

\# Refer Note B-5 of Schedule 17 "Notes on Accounts" annexed to the Financial Statements of the year.

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

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

Remuneration	The Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act,1956 or any modification or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs.1,25,000/- per month and applicable perquisites and commission of 2% on the net profit.
Sitting Fees	The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Managing Director.
Overall limit	The remuneration referred above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors of the Company. In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.
Ratable Proportion	If the Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to ratable proportion of what he would have received if he had lived and been employed for the whole of that year.
Reimbursement	The Managing Director shall be entitled to reimbursement of all expenses including traveling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

Shri S. B. Jhaveri is reappointed by the Shareholders in the General Meeting held on 26/9/2007 as the Managing Director of the Company and shall hold office for a period of 5 years with effect from 1st April, 2007. He shall not liable to retire by rotation so long as he holds office as Managing Director. He shall be free to resign his office by giving three calendar months notice in writing to the Company.

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

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

Remuneration	The Joint Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act,1956 or any modification or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs.1,25,000/- per month and applicable perquisites and commission of 2% on the net profit.
Sitting Fees	The Joint Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Joint Managing Director.

Overall limit	The remuneration referred above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors of the Company. In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Joint Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.
Ratable Proportion	If the Joint Managing Director's employment shall cease during the currency of any financial year he or his executors or administrators shall be entitled to ratable proportion of what he would have received if he had lived and been employed for the whole of that year.
Reimbursement	The Joint Managing Director shall be entitled to reimbursement of all expenses including traveling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

Shri P. S. Jhaveri is reappointed by the Shareholders in the General Meeting held on 23/9/2008 as the Joint Managing Director of the Company and shall hold office for a period of 5 years with effect from 4th September 2008. He shall not liable to retire by rotation so long as he holds office as Joint Managing Director. He shall be free to resign his office by giving three calendar months notice in writing to the Company.

DISCLOSURES:

i) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No.B-11 in Schedule 18 "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.

RECONCILIATION OF SHARE CAPITAL

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

MEANS OF COMMUNICATION:

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

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

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

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

COMPLIANCE :

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

SHAREHOLDERS INFORMATION

Annual General Meeting:

Date and Time : 22nd September, 2011 at 3.30 p.m.

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

Last 3 Annual General Meeting:

Date and Time	29th September, 2010 at 3.30 p.m. M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.	23rd September, 2009 at 4.30 p.m. M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.	23rd September, 2008 at 4.30 p.m. M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.

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

Date of Book Closure: 15th September 2011 to 22nd September 2011 (both days inclusive)

Financial Calendar :

Unaudited Results with Limited Review for the Quarter	Due Date	Annual Audited Accounts	Due Date
30th June 2011	14th August 2011	31st March 2012	30th May 2012
30th Sept. 2011	14th November, 2011		
31st Dec. 2011	14th February, 2011		

Dividend Payment :

Dividend Declared : NIL

Listing on Stock Exchange(s) :

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

Stock Codes :

Security Code No.524614 Bombay Stock Exchange Limited.

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

Stock Market Data :

Month/Year	Volume Nos.	Mumbai Stock Exchange	
		High (Rs.)	Low (Rs.)
April 2010	8079	10.08	8.10
May 2010	3230	10.00	8.07
June 2010	133	9.90	9.70
July 2010	2737	9.70	6.85
August 2010	5868	8.75	6.52
September 2010	14937	8.79	6.92
October 2010	37334	9.14	7.20
November 2010	45907	10.40	7.05
December 2010	10205	9.04	6.99
January 2011	2002	10.50	7.85
February 2011	7219	8.20	6.44
March 2011	4773	6.64	4.81

Registrars and Share Transfer Agents :

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

Share Transfer System :

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

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

Shareholding Pattern : Shareholding Pattern as on 31st March 2011.

Category			No. of Shares Held	% of Shareholding
A	Promoter's Holding			
1	Promoters	- Indian Promoters	2188333	65.57
		- Foreign Promoters	NIL	NIL
2	Persons acting in concert		NIL	NIL
B	Non-Promoters Holding			
3	Institutional Investors			
	a Mutual Funds and UTI		NIL	NIL
	b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)		16400	0.49
	c FIIs		NIL	NIL
4	Others			
	a Private Corporate Bodies		99387	2.98
	b Indian Public		908764	27.23
	c NRI's/OCB's		69987	2.09
	d Independent Directors & Relatives		37900	1.14
	e Present Employees		14300	0.43
	d Any other (Clearing Members)		2562	0.07
Grand Total			**3337633**	**100.00**

Distribution of Share : Distribution of shareholding as on 31st March, 2011.

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	2182	88.5193	312809	9.3722
501-1000	126	5.1116	109807	3.2900
1001-2000	78	3.1643	117605	3.5236
2001-3000	12	0.4868	32340	0.9690
3001-4000	8	0.3245	28491	0.8536
4001-5000	12	0.4868	57900	1.7348
5001-10000	16	0.6491	116532	3.4915
above 10001	31	1.2576	2562149	76.7655
Total	**2465**	**100.0000**	**3337633**	**100.0000**

Dematerialisation of Shares :

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31st March, 2011, 7,88,700 Equity Shares comprising of 23.63% of Paid-up Capital of the Company, have been dematerialized by the Investors and bulk of transfers take place in the demat segment.

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

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

Investors Correspondence :

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

Unclaimed Dividend :

All unclaimed/unpaid dividend amounts upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No. II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to :

Office of Registrar of Companies
Central Government Office Bldg., 'A' Wing,
2nd Floor, Next to Reserve Bank of India
CBD, Belapur - 400 614.

All unclaimed/unpaid dividend amounts for the financial years 1995-96 to 2002-03 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

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, 2011.

For and on Behalf of the Board

S. B. JHAVERI
Chairman & Managing Director

Mumbai, dated, 27th May 2011

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

Name	Age	Educational Qualification	Experience	
Mr. Anand R. Dalal	53 yrs.	B.A. (Economics) University of Bombay M.M.S. (Management Science) University of California & Los Angeles	Mr Anand R Dalal has over 25 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. He is widely traveled in India and across the globe ensures that his clients greatly benefit from his wide range of skills and services that are backed by his drive and innovative abilities.	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	52 yrs.	B. Com. LLB(G)ACA	He is a Chartered Accountant and associated with Nanavati 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

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

Name of the Director	Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
Mr. Anand R. Dalal	1. R. L. Dalal & Company Private Limited 2. CBL Combustion Systems Pvt. Ltd. (Formally known as Coen Bharat Limited) 3. Euro-Asia Project Services Limited 4. Mabula-Asia Project Services Limited	1. Indian Extractions Limited a. Audit Committee b. Shareholders'/Investor Grivance Committee c. Remuneration Committee
Mr. Ankur M. Maneck	1. Nanavati Speciality Chemicals Pvt.Ltd. 2. Nanavati Chemex Pvt. Ltd. 3. Phthalo Impex	1. Indian Extractions Limited a. Audit Committee b. Shareholders'/Investor Grivance Committee/Share Transfer c. Remuneration Committee

For and on Behalf of the Board

Place: MUMBAI
Dated: 27th May, 2011

S. B. JHAVERI
Chairman & Managing Director

ANNEXURE - II TO THE DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY:

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

A. POWER & FUEL CONSUMPTION:

					Current Year	Previous Year
1.	Electricity:					
	a. Purchased & Consumed	-	Unit		**1040057**	1362612
		-	Total Amount	Rs.	**6256233**	7690816
		-	Rate/Unit	Rs.	**6.02**	5.64
	b. Own Generation	-	Unit		**3693**	10992
	Through Diesel Generator	-	Total Amount	Rs.	**48936**	137679
		-	Rate/Unit	Rs.	**13.25**	12.53
2.	Coal (Lignite):	-	Tonnes		**935**	1483
		-	Total Amount	Rs.	**2130829**	3149203
		-	Average Rate	Rs.	**2278.96**	2123.54
3.	Others:					
	1. Oilseed Husk	-	Tonnes		**1974**	2652
		-	Total Amount	Rs.	**5068563**	7418604
		-	Average Rate	Rs.	**2567.66**	2797.36

B. CONSUMPTION RATE PER UNIT OF PRODUCTION:

Per tonne of oilcakes / oil Processed:				
Electricity	-	Unit	**89.53**	37.59
Fuel: Coal Lignite	-	Kgs	**80.20**	40.91
Oilseed Husk	-	Kgs	**169.33**	73.15

2. a. RESEARCH AND DEVELOPMENT:

The Company does not have separate Research and Development Department. However, it has laboratory where the quality of Raw Materials and Finished Products is tested to ensure the quality and yield of the product. There is no expenditure on R & D during the year under review.

b. TECHNOLOGY ABSORPTION:

The Company completed modernisation-cum-expansion of its Solvent Extraction Plant in 2009. It also successfully commissioned the refinery for refining of edible oil in May 2009.

As a result of these changes the Company was able to reduce cost of production and improve the quality of finished products.

The Company has not imported any technology.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. The Company is a recognised Export House and one of the leading exporters of De-oiled Cakes. Efforts are continuously made to sustain the present market and develop new export market by undertaking export promotional tours to survey the export markets.

b. Total Foreign Exchange Earned and Used:

		Current Year	Previous Year
Foreign Exchange Earned	Rs.	**3,96,24,075**	62,95,998
Foreign Exchange Used	Rs.	**10,50,00,346**	43,63,00,996

For and on Behalf of the Board

S. B. JHAVERI
(Chairman & Managing Director)

Place : MUMBAI
Dated : 27th May 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Extractions Limited is 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.

The following Directors are part of Management Team:

i. Shri Shantilal B. Jhaveri Chairman & Managing Director

ii. Shri Priyam S. Jhaveri Joint Managing Director

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

INDUSTRY STRUCTURE AND DEVELOPMENT

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

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

OPPORTUNITIES AND THREATS

Solvent extractions industry is passing thru a very difficult time due to various constraints together with international market scenario, government policies, low availability of feed stock etc. factors, which has resulted into difficulties for it's survival and growth. Also refinery for edible oil is facing many challenges on account of duty free import of raw edible oil, large capacities by MNCs, logistic and location factors, high volatility cum speculation, requirement of high working capital money etc. factors are adversely impacting operations of small and medium size of companies and our company is also not an exception to the same.

The external business factors are very adverse for the solvent extraction business of the Company which is the core strength and business activity for the Company thereby said business is completely paralyzed and became non remunerative and resulted into losses. The business scenario is not likely to improve in coming years and near future also. Further, without the support of solvent extraction business, operations of refinery becomes challenging mainly on account of non availability of low cost captive feed stock for refining. Also refinery operations are subject to speculative market conditions, competition from large capacities from MNCs, location disadvantages, high working capital requirements etc. In cumulative all these factors makes existing business very difficult to operate and non remunerative also. The said factors are contributing for losses and results into operating losses.

The management after undertaking various analysis and conducting market studies together with professional advisory has concluded to exit from the present business of the Company.

Due to the changed market conditions coupled with the speculative nature of business and high volatility in the pricing as well as disadvantages in comparison with very large scale capacities created by Multinational Companies, the Board after deliberation decided to discontinue present business operations permanently with a view to protect stakeholders value. Accordingly in conformity the Management is working out a systematic exit from the business.

OUTLOOK

For a sustainable future plan for the Company and with a view to enhance stakeholders value, the board has decided to foray into new business areas which includes manufacturing and trading in chemicals, merchant export business, trading in commodities, trading in refined edible oil under the Company's brand name and exports of deoiled cake, warehousing and logistic business and such other business incidental or ancillary to that. The Management is working out a systematic plan to enter into new areas of business in a phased manner.

In order to smoothly enter other lines of business, the Board has decided to go for amalgamation of Phthalo Colours & Chemicals (I) Ltd., un-listed Public Ltd. Company, with the company subject to necessary approvals from the Stakeholders, High Court and also compliance with the other statutory requirements in that connection.

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 stakeholder's value and create sustainable business model for the future of the Company.

In continuance of the decision taken by the Board of Directors, already the manufacturing operations are stopped and employment of majority of permanent workers and staff were terminated. The Management is working out alternative plans and options for utilization of the assets of the Company.

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

RISKS AND CONCERNS

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

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

HUMAN RESOURCE/INDUSTRIAL RELATIONS

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

During the year the Company has reduced the employee strength to a minimum level due to it's new business plans.

FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

The year under review has witnessed many challenges and difficulties for the operations of the Company because of various factors as summarized in the board of directors report. Cumulative effect of all such adverse factors has resulted in very low capacity utilization and thereby increased cost of operations has resulted in negative margin for the solvent extraction business operations. The Company was able to process only 5557 MT of Solvent Extractions against 24789 MT. in the previous year.

The management's vision of refinery installation has been fructified and the multi product oil refinery remained operated for most of the year. The refinery was installed with a view to increase and diversifies the business strength in the edible oil market by capitalizing on the Company's reputed and established brand "DIAMOND". During the year, the Company has refined 6101 MT of edible oils as compared to 4771 MT in the previous year.

Due to refinery activity and trading activity, the company has maintained it's turnover and achieved a turnover of Rs. 82.89 Crore as against Rs. 80.40 Crore in the previous year, in-spite of very insignificant solvent extraction business during the year. The Company operations resulted in a loss before interest and depreciation of Rs.41.99 lacs as against Rs.21.10 Lacs in the previous year. This was on account of insignificant plant utilization of extraction plant which is the core business of the Company, wafer thin margins in the edible oil refining business and adverse market conditions as mentioned above.

However due to an exceptional item of sale of land, the Company recorded a profit at year end of Rs.49.19 Lacs as against a loss of Rs.306.75 Lacs during the previous year.

During the year, the Company has well diversified its business operations by entering into a trading activity in the chemicals and commodities, which has also supported operations of the company.

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 stakeholder'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: 27th May, 2011

AUDITOR'S REPORT

To the members of Indian Extractions limited

1. We have audited the attached Balance Sheet of India Extractions Limited ("the company") as at 31st March 2011, the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order,2003, issued by the central government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books.
   c) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for matters contained in paragraph 4 (e), (f), (g) below.
   e) *Certain items of inventory have been valued at amounts which are higher than their respective cost. Which is not in accordance with Accounting Standard 2 "Valuation on Inventories". Consequently, the values of inventory as at 31st March, 2011 are overstated by Rs. 5.68 lacs and loss for the year is lower by the like amount.*
   f) *The Company has accounted for profit on sale of surplus vacant freehold land aggregating to Rs. 384.72 lacs, disclosed as 'Exceptional Item', for which the necessary transfer formalities are yet to be completed.*
   g) *During the year, the Company has made Retrenchment Compensation payment to their employee aggregating to Rs. 25,64,823/-, the same has been considered by the Company as Deferred Expenses. Hence, to the same extent the profit of the Company is Overstated.*
   h) Without Qualifying our opinion, we draw your attention to note 14 of Schedule 17 regarding the accounts of the company being prepared on a going concern basis.
   i) Subject to our examination and observation in paragraph 4(e),(f) & (g) above, in our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) In the case of the balance sheet, of the state of affairs of the Company as at 31st March,2011;
      ii) In the case of the profit and loss account, of the Profit for the year ended on that date; and
      iii) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March,2011 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 Modi
Partner
Membership No. 042562

Mumbai: 27TH May 2011.

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Indian Extractions Limited on the financial statements for the year ended March 31, 2011]

1. The nature of the Company's business / activities during the year has been such that clauses (xiii) and (xiv) of paragraph 4 of the companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.

2. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed of by the Company during the year.

3. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

   (b) The company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. At the year end, the outstanding balance of such loan taken aggregated Rs. 90,50,000/-, and the maximum amount involved during the year was Rs. 3,05,00,000/-.In our opinion in respect of loans taken by the company, the terms & conditions are not prima facie prejudicial to the interest of the company. There are no stipulations as regards repayment and interest.

5. In our opinion and according to the information and explanations given to us, the internal control system is in the process of being strengthened to be commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, and fixed assets and for the sale of goods and services, in respect of maintenance of appropriate documentation thereof.

6. Related Party Transactions

   (a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been entered.

   (b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.

7. According to the information and explanation given to us the company has complied with the provision of section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from public. We are informed that no Order has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal in this respect.

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

9. As informed to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

10. (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, 2011 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, 2011 on account of any dispute are given below.

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

11. *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 losses in their operating activities during the current financial year.*
12. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
13. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
15. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
17. According to the information and explanations given to us, the Company has utilized the term loans for the purposes for which they have been granted.
18. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment and vice versa.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
20. The Company has not issued any debentures. Hence this clause is not applicable.
21. The Company has not raised any money by public issues during the year. Hence this clause is not applicable.
22. 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
(Registration No. 110963W)

Sunil Modi
Partner
Membership No. 042562

Mumbai: 27TH May 2011.

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	Rupees	Rupees	As at 31st March, 2010 Rupees
SOURCES OF FUNDS				
1. **Shareholders' Funds:**				
(a) Share Capital	1	3,33,76,330		3,33,76,330
(b) Reserves and Surplus	2	13,18,62,704		15,79,13,411
			16,52,39,034	19,12,89,741
2. **Loan Funds:**				
(a) Secured Loans	3	18,01,41,593		17,32,51,841
(b) Unsecured Loans	4	97,65,000		3,67,15,000
			18,99,06,593	20,99,66,841
	TOTAL		35,51,45,627	40,12,56,582
APPLICATION OF FUNDS				
1. **Fixed Assets:**	5			
(a) Gross Block		30,56,33,323		33,01,37,606
(b) Less: Depreciation		11,86,29,799		11,01,91,874
(c) Net Block			18,70,03,524	21,99,45,732
(d) Capital Work in Progress			---	---
			18,70,03,524	21,99,45,732
2. **Investments**	6		---	---
3. **Current Assets, Loans and Advances:**				
(a) Inventories	7	4,41,67,464		10,20,72,644
(b) Sundry Debtors	8	7,36,41,670		6,63,79,761
(c) Cash and Bank Balances	9	1,50,80,610		1,06,33,014
(d) Loans and Advances	10	3,46,56,375		2,34,07,726
		16,75,46,119		20,24,93,145
Less : Current Liabilities and Provisions:				
(a) Liabilities	11	4,55,88,995		6,79,57,159
(b) Provisions	12	5,24,489		22,88,558
		4,61,13,484		7,02,45,717
Net Current Assets			12,14,32,635	13,22,47,428
4 (a) **Profit and Loss Account**			4,41,44,645	4,90,63,422
(b) **Deferred Expenses (To the extent not written off)**			25,64,823	---
	TOTAL		35,51,45,627	40,12,56,582
Significant Accounting Policies and Notes on Accounts:	17			

In Terms of our Report Attached

FOR **THINGNA & CONTRACTOR**
Chartered Accountants
(Registration No : 110963W)

SUNIL C. MODI
Partner
Membership No.042562
DATED : 27th May, 2011

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Jt. Managing Director

MUMBAI
DATED : 27th May, 2011

ANAND R. DALAL
ASIT D. JAVERI
ANKUR M. MANECK
Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Rupees	Rupees	Previous Year Rupees
INCOME:				
Turnover (Gross)		**82,89,37,370**		80,39,85,219
Less: Excise duty		**4,46,176**		1,81,667
Turnover (Net)			**82,84,91,194**	80,38,03,552
Other Income	**13**		**79,16,236**	78,88,177
(Decrease) / Increase in Stocks of finished goods and process stocks	**14**		**(3,89,69,786)**	3,03,34,902
	TOTAL		**79,74,37,644**	84,20,26,631
EXPENDITURE :				
Purchase of Trading Goods			**27,26,52,076**	20,72,97,030
Manufacturing and Other Expenses	**15**		**52,89,85,409**	63,68,39,280
Interest and Finance Charges	**16**		**2,23,53,791**	2,17,67,340
Depreciation		**85,78,297**		84,41,013
Less: Depreciation on the amount added on revaluation transferred from Revaluation Reserve		**15,78,706**		16,52,255
			69,99,591	67,88,758
	TOTAL		**83,09,90,867**	87,26,92,408
(Loss) before tax			**(3,35,53,223)**	(3,06,65,777)
Exceptional Items (Sale of Land)			**3,84,72,000**	--
			49,18,777	(3,06,65,777)
Provision for Tax:				
- Wealth tax			**--**	9,249
- Deferred tax			**--**	--
- Fringe Benefits tax			**--**	--
			--	9,249
Profit/(Loss) for the year			**49,18,777**	(3,06,75,026)
Balance brought forward from previous year			**(4,90,63,422)**	(1,83,88,396)
Balance carried to balance Sheet			**(4,41,44,645)**	(4,90,63,422)
Basic and Diluted Earnings per Share (Refer Note No.B - 7 of Schedule 18)			**1.47**	(9.19)
Significant Accounting Policies and Notes on Accounts	**17**			

In Terms of our Report Attached

FOR **THINGNA & CONTRACTOR**
Chartered Accountants
(Registration No : 110963W)

SUNIL C. MODI
Partner
Membership No.042562
DATED : 27th May, 2011

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S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Jt. Managing Director

MUMBAI
DATED : 27th May, 2011

ANAND R. DALAL
ASIT D. JAVERI
ANKUR M. MANECK
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		Rupees	Rupees		Previous Year Rupees	Previous Year Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit /(Loss) before tax including exceptional item			**49,18,776**			(3,06,65,777)
Adjustments for						
Depreciation		**69,99,591**			67,88,758	
Profit on sale of Fixed Assets (Net)		**(498)**			(8,057)	
Profit on sale of Land (Exceptional item)		**(3,84,72,000)**			-	
Interest and Finance Charges		**2,23,53,791**			2,17,67,340	
Fixed Assets Written off		-			41,495	
Interest Income						
On Bank Deposits	**3,27,909**		2,32,453			
On Income Tax, Sales Tax Refund etc.	**3,80,418**		141			
On Others	**10,26,666**		16,28,280			
		(17,34,993)			(18,60,874)	
			(1,08,54,109)			2,67,28,662
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			**(59,35,333)**			(39,37,115)
Adjustments for						
Increase in Trade and other receivables		**(1,85,10,557)**			(2,93,89,662)	
Increase in Inventories		**5,79,05,180**			(1,49,17,562)	
Increase in Trade Payables		**(2,40,96,984)**			4,44,00,029	
			1,52,97,639			92,806
CASH (USED IN) / FROM OPERATIONS			**93,62,306**			(38,44,309)
Direct Taxes Paid			**-**			78,710
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	**(A)**		**93,62,306**	(A)		(37,65,599)
B. CASH FLOW FROM INVESTING ACTIVITIES						
Additions to Fixed Assets and Capital Work in Progress		**(1,61,679)**			(90,58,770)	
Proceeds from sale of Fixed Assets		**3,85,26,088**			20,446	
Sale of Investment		**---**			6,100	
Interest Received		**17,34,993**			18,60,874	
NET CASH (USED IN) INVESTING ACTIVITIES	**(B)**		**4,00,99,402**	(B)		(71,71,350)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees	Rupees	Previous Year Rupees	Previous Year Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Term Borrowings	**68,89,752**		2,96,95,856	
Repayment of Term Borrowings	**(2,69,50,000)**		--	
Payment towards retrenchment compensation	**(25,64,823)**		--	
Dividend paid	**(35,249)**		--	
Interest Paid	**(2,23,53,791)**		(2,17,67,340)	
NET CASH FROM FINANCING ACTIVITIES	**(C)**	**(4,50,14,111)**	(C)	79,28,516
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(A+B+C)**	**44,47,596**	(A+B+C)	(30,08,433)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (OPENING BALANCE)		**1,06,33,014**		1,36,41,447
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (CLOSING BALANCE)		**1,50,80,610**		1,06,33,014

Notes:

1) Components of Cash and bank balances includes Cash and Bank Balances as stated in Schedule 9 of the Balance Sheet.
2) Purchase of Fixed Assets (Including movements in Capital Work in Progress) is treated as part of investing activities.
3) Cash and Cash equivalents includes amount Rs. NIL (Previous year Rs. 35,249/-) towards unclaimed dividend and towards Margin Money Rs. 46,50,245 /- (Previous Year Rs. 39,20,966/-) and towards fixed deposits from public Rs. 9,61,574/- (Previous year Rs. 17,71,989/-)

In Terms of our Report Attached

FOR **THINGNA & CONTRACTOR**
Chartered Accountants
(Registration No : 110963W)

SUNIL C. MODI
Partner
Membership No.042562
DATED : 27th May, 2011

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Jt. Managing Director

MUMBAI
DATED : 27th May, 2011

ANAND R. DALAL
ASIT D. JAVERI
ANKUR M. MANECK
Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

		Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1				
SHARE CAPITAL				
AUTHORISED				
5,000,000 Equity Shares of Rs.10/- each			**5,00,00,000**	5,00,00,000
ISSUED, SUBSCRIBED AND PAID UP				
3,337,633 Equity Shares of Rs. 10/- each, fully paid-up			**3,33,76,330**	3,33,76,330
NOTE:				
Of the above, 1,980,000 Equity Shares were allotted as fully paid up in an earlier year by way of bonus shares by capitalisation as under:				
(a) From General Reserve		**98,00,000**		
(b) From Revaluation Reserve		**1,00,00,000**		
		1,98,00,000		
	TOTAL		**3,33,76,330**	3,33,76,330
SCHEDULE 2				
RESERVES AND SURPLUS				
CAPITAL RESERVE				
(Cash Subsidy Received from Gujarat State Government) As per last Balance Sheet			**8,48,010**	8,48,010
SHARE PREMIUM ACCOUNT				
As per last Balance Sheet			**1,94,79,336**	1,94,79,336
REVALUATION RESERVE				
As per last Balance Sheet		**13,66,86,065**		13,83,38,321
Less : Revaluation on freehold land transferred to Profit and Loss Account		**2,44,72,000**		--
Less: Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account		**15,78,707**		16,52,256
			11,06,35,358	13,66,86,065
EXPORT PROFIT RESERVE				
As per last Balance Sheet			**9,00,000**	9,00,000
	TOTAL		**13,18,62,704**	15,79,13,411
SCHEDULE 3				
SECURED LOANS				
Loans and Advances from Banks:				
Cash Credit Accounts etc.	1		**15,02,25,894**	13,63,88,037
Term Loan	2		**2,93,94,779**	3,52,75,853
Vehicle loan	3		**5,20,920**	15,87,951
	TOTAL		**18,01,41,593**	17,32,51,841

Notes:

1 Secured by hypothecation of Premises, Stores, Spares, Plant and Machinery, present and future, Book Debts, other receivables, stock in Trade and Other Stores and guaranteed by the Managing Directors.

2 Secured by Hypothecation of New Boiler, Extractor, New Refinery

3 Secured by hypothecation of vehicle purchased.

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits	**7,15,000**	1,12,15,000
Short Term Loans and Advances:		
From Directors	**15,50,000**	2,30,00,000
From Others - Inter Corporate Deposit	**75,00,000**	25,00,000
TOTAL	**97,65,000**	3,67,15,000

SCHEDULE 5

FIXED ASSETS (In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10	Additions	Deductions	As at 31.03.11	Upto 01.04.10	For the Year	Deduc--tions	Upto 31.03.11	As at 31.03.11	As at 31.03.10
Freehold Land	9,94,29,911	–	2,45,00,000	**7,49,29,911**	-	-	-	-	**7,49,29,911**	9,94,29,911
Leasehold Land	4,11,43,954	-	-	**4,11,43,954**	46,18,652	8,11,674	-	**54,30,326**	**3,57,13,628**	3,65,25,302
Buildings	4,59,03,284	-	-	**4,59,03,284**	3,88,27,363	6,85,163	-	**3,95,12,526**	**63,90,758**	70,75,921
Plant and Machinery	12,93,19,428	-	-	**12,93,19,428**	5,68,73,777	59,46,121	-	**6,28,19,898**	**6,64,99,530**	7,24,45,651
Furniture, Fixtures and Equipment	40,44,921	1,61,679	-	**42,06,600**	33,87,167	1,42,890	-	**35,30,057**	**6,76,543**	6,57,754
Vehicles	1,02,96,108	-	1,65,962	**1,01,30,146**	64,84,915	9,92,449	1,40,372	**73,36,992**	**27,93,154**	38,11,193
TOTAL	**33,01,37,606**	**1,61,679**	**2,46,65,962**	**30,56,33,323**	**11,01,91,874**	**85,78,297**	**1,40,372**	**11,86,29,799**	**18,70,03,524**	21,99,45,732
PREVIOUS YEAR	29,13,15,476	3,97,09,523	8,87,393	33,01,37,606	10,25,84,369	84,41,013	8,33,508	11,01,91,874	21,99,45,732	

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 of Rs. 7,38,90,810/-, being surplus on Revaluation as on 31st March, 1993.
   (b) Freehold Land, Leasehold Land, at Jamnagar have been further revalued on 31st March, 2008 on the basis of valuation made by external valuer resulting in net increase of Rs. 12,16,52,961/- being surplus on Revaluation as on 31st March, 2008
3. Depreciation for the year includes depreciation provided on revalued cost of essets.

SCHEDULE 6

INVESTMENTS: (LONG TERM) (NON - TRADE)

I. EQUITY SHARES (quoted)

500	Shares of Elbee Services Limited of the face value of Rs.10/- each fully paid up.	**70,000**		70,000
2,300	Shares of Life Style Fabrics Limited of the face value of Rs.10/- each fully paid up.	**17,885**		17,885
			87,885	87,885
			87,885	87,885
Less: Provision			**87,885**	87,885
	TOTAL		**---**	---

Note:

Aggregate of quoted Investments Cost (net of provision made)	--	--
Market value	--	--
Secured by hypothecation of vehicle purchased.	--	--

			As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 7				
INVENTORIES:				
1. Stores and Spare Parts			**38,60,834**	75,72,404
2. Stock in Trade:				
Raw Materials	**18,61,461**			1,70,85,285
Finished Goods	**3,84,45,169**			7,44,37,821
Process Stock	**-**			29,77,134
			4,03,06,630	9,45,00,240
TOTAL			**4,41,67,464**	10,20,72,644
SCHEDULE 8				
SUNDRY DEBTORS: (Unsecured)				
Debts outstanding for a period exceeding six months			**88,09,500**	23,94,845
Other Debts			**6,67,69,626**	6,59,22,372
			7,55,79,126	6,83,17,217
Less: Provision			**19,37,456**	19,37,456
			7,36,41,670	6,63,79,761
Notes:				
Considered Good			**7,36,41,670**	6,63,79,761
Considered doubtful			**19,37,456**	19,37,456
TOTAL			**7,55,79,126**	6,83,17,217
SCHEDULE 9				
CASH AND BANK BALANCES				
1. Cash on hand			**57,126**	1,84,491
2. Bank Balances				
A. With Scheduled Banks				
In Current Accounts	**93,32,228**			46,51,985
In Fixed Deposit Accounts				
[(Including Margin Money Rs. 46,50,245/- (Previous Year Rs. 39,20,966/-)) Fixed Deposits from Public Rs. 9,61,574/- (Previous Year Rs. 17,71,889/-) Interest accrued Rs. 69,732/-, (Previous Year Rs. 93,678/-)]	**56,81,551**			57,86,633
			1,50,13,779	1,04,38,618
B. With Others.				
Commercial Co-operative Bank Ltd., Jamnagar In Current Account [Maximum amount outstanding at any time during the year Rs. 9,705/- (Previous Year Rs. 10,105/-)]			**9,705**	9,905
TOTAL			**1,50,80,610**	1,06,33,014

		As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 10			
LOANS AND ADVANCES (Unsecured and considered good)			
Advances recoverable in cash or in kind or for value to be received.		**3,44,42,598**	2,32,71,218
Advance tax (Net of Provision for tax)		**2,13,777**	1,36,508
TOTAL		**3,46,56,375**	2,34,07,726
SCHEDULE 11			
LIABILITIES			
Sundry Creditors			
(i) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 6 of schedule 18)	--		--
(ii) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	**3,06,25,238**		4,21,76,911
		3,06,25,238	4,21,76,911
Advance received from customers		**1,35,78,260**	2,31,73,311
Other Liabilities		**13,42,957**	20,75,995
Unclaimed Dividend		**-**	35,249
Interest Accrued but not due on Loans		**42,540**	4,95,693
TOTAL		**4,55,88,995**	6,79,57,159
SCHEDULE 12			
PROVISIONS			
For			
Taxation (Net of Advance Tax)		**34,793**	34,793
Fringe Benefits Tax (Net)		**6,126**	6,126
Gratuity		**3,54,718**	17,47,075
Compensated Absences		**1,28,852**	5,00,564
TOTAL		**5,24,489**	22,88,558

	Rupees	As at 31st March, 2011 Rupees	Previous Year Rupees
SCHEDULE 13			
OTHER INCOME			
Interest:			
On Bank Deposits [Tax deducted at source Rs.Nil. (Previous year Rs.55,554/-)]	**3,27,909**		2,32,453
On Income Tax, Sales Tax Refund etc.	**3,80,418**		141
On Others	**10,26,666**		16,28,280
		17,34,993	18,60,874
Profit on Sale of Fixed Assets (Net)		**498**	8,057
Export Incentive Received		**8,83,605**	6,25,016
Insurance claims		**1,64,082**	78,439
Settlement of Contract		**24,28,200**	29,60,000
Excess provision for earlier years written back		**13,92,357**	13,53,532
Sundry Credit Balances Written back		**15,860**	1,63,633
Foreign Exchange Fluctuation (Net)		**6,46,571**	5,71,821
Miscellaneous Income		**6,50,070**	2,66,805
TOTAL		**79,16,236**	78,88,177
SCHEDULE 14			
INCREASE / (DECREASE) IN STOCKS OF FINISHED GOODS AND PROCESS STOCK			
Stocks as on 31 st March, 2011			
Finished Goods		**3,84,45,169**	7,44,37,821
Process Stock		**-**	29,77,134
		3,84,45,169	7,74,14,955
Less: Stocks as on 1st April, 2010			
Finished Goods	**7,44,37,821**		3,61,61,477
Process Stock	**29,77,134**		1,09,18,576
		7,74,14,955	4,70,80,053
(DECREASE) / INCREASE		**(3,89,69,786)**	3,03,34,902

	Rupees	Rupees	Rupees	Previous Year Rupees
SCHEDULE 15				
MANUFACTURING AND OTHER EXPENSES				
Raw Materials Consumed (indegenous)			**45,55,11,149**	55,66,83,458
Payments to and Provisions for Employees				
a) Salaries, Wages and Bonus		**80,05,667**		1,16,85,681
b) Contribution to Provident and other funds		**7,93,788**		13,52,322
c) Gratuity (including contribution to Gratuity Fund)		**3,16,976**		4,71,523
d) Welfare Expenses		**4,79,303**		6,43,100
			95,95,734	1,41,52,626
Operation and Other Expenses				
a) Stores, Spare Parts and Packing Materials Consumed (indegenous)		**2,49,62,066**		2,25,85,215
b) Power and Fue		**1,46,76,046**		1,91,47,438
c) Factory Expenses		**30,66,605**		40,56,425
d) Rent		**3,18,433**		5,26,933
e) Repairs :				
To Buildings	**59,190**			41,842
To Machinery	**10,06,046**			16,02,926
To Others	**2,77,225**			1,71,342
		13,42,461		18,16,110
f) Insurance		**7,91,375**		9,12,085
g) Rates and Taxes		**4,52,145**		5,46,133
h) Brokerage and Discount		**3,72,802**		5,76,793
i) Export Freight and Shipping Charges		**17,90,644**		7,08,702
j) Transport and Forwarding Charges		**24,65,469**		76,40,303
k) Provision for doubtful debts		**-**		-
k) Donation		**8,202**		30,201
l) Directors Sitting Fees		**19,500**		40,500
m) Advances Written off		**-**		20,000
n) Fixed Assets Written off		**-**		41,495
o) Oil Processing Charges		**44,79,059**		-
p) Miscellaneous Expenses		**91,33,719**		73,54,863
			6,38,78,526	6,60,03,196
TOTAL			**52,89,85,409**	63,68,39,280

Note: Miscellaneous Expenses include Auditors Remuneration, Legal and Professional Fees, Travelling Expenses etc.

SCHEDULE 16				
INTEREST AND FINANCE CHARGES				
Interest				
i) On Cash Credit Accounts etc.			**1,88,39,473**	1,38,57,530
ii) On Fixed Deposits			**6,72,651**	16,84,053
iii) On Fixed loans			**5,96,306**	60,12,470
iv) On Others			**22,45,361**	2,13,287
TOTAL			**2,23,53,791**	2,17,67,340

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2 USE OF ESTIMATES

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

3 FIXED ASSETS

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

4 INVESTMENTS

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

5 DEPRECIATION

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

6 INVENTORIES

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

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

7 RETIREMENT BENEFITS

A) GRATUITY

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

B) COMPENSATED ABSENCES

Provision is made for Compensetal absesnces based on leave balance as at the end of the year.

C) PROVIDENT FUND

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

8 CENVAT CREDIT

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

9 FOREIGN CURRENCY TRANSACTIONS

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

10 REVENUE RECOGNITION

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

11 CONTINGENT LIABILITIES

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

12 BORROWING COSTS

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

13 GOVERNMENT GRANTS

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

14 TAXES ON INCOME

Tax expense comprises of current tax, deferred tax and fringe benefits tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

15 DOUBTFUL DEBTS/ADVANCES

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

16 IMPAIRMENT LOSS

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

B.	NOTES ON ACCOUNTS	Rupees	Previous Year Rupees
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	--	--
2	Contingent Liabilities in respect of		
	(a) Disputed demands of Sales Tax Authorities:	**32,06,043**	30,77,614
	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 in Schedule 11.		
	(b) Order Dated 26.11.2009 received from Commissioner of Central Excise, Rajkot	--	2,32,21,578
	In connection with demand for duty of Rs. 1,16,10,789/- and penalty of Rs. 1,16,10,789/- for which the company has already filed an appeal against the said order before the Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad and based on the opinion received, the management is of the view that the matter will be settled in favour of the company		

3 (a) Depreciation is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as follows:
(i) in respect of new solvent plant and oil mill on straight line basis.
(ii) in respect of old plants, water pollution control system and other assets on written down value basis.

(b) Depreciation has been provided at the rates applicable for Continuous Process Plant (i.e.15.33% under Written Down Value Method and 5.28% under Straight Line Method) in respect of Plant and Machinery utilised for the manufacture of Decade and Solvent Extracted Oils installed at the Company's Jamnagar Unit by considering the aforesaid Plant and Machinery as Continuous Process Plant as defined in Schedule XIV to the Companies Act, 1956.

(c) Depreciation for the year is provided on the revalued cost of Assets and is charged to the Profit and Loss Account.

(d) The difference of Rs. 15,78,707/- (Previous Year Rs. 16,52,255/-) 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.

		Rupees	Previous Year Rupees
4	Payments to Auditors :		
	(a) As Auditors	**4,00,000**	5,00,000
	(b) In any other manner (Certification work etc.)	**2,00,000**	2,00,000
	(c) As Expenses	**1,072**	-
	(d) For Service tax	**61,800**	72,100
	Total	**6,62,872**	7,72,100
5	Managerial Remuneration under section 198 of the Companies Act, 1956 :		
	To Managing Directors :		
	(i) Salaries	**4,66,648**	6,93,312
	(ii) Perquisites in cash or in kind	**4,43,956**	4,36,543
	(iii) Contribution towards Provident Fund and Other Funds	**50,400**	76,800
	(iv) Gratuity	**20,192**	20,192
	Total	**9,81,196**	12,26,847

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

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

7 Earnings per share is calculated by dividing the Profit / (loss) attributable to the Equity shareholders by the weighted average number of equity shares outstanding during the year as under -

	Rupees	Previous year Rupees
Profit / (Loss) attributable to equity shareholders	**49,18,776**	(3,06,75,026)
Weighted average number of shares outstanding during the year	**33,37,633**	33,37,633
Basic / Diluted Earnings per share	**1.47**	(9.19)
Nominal value per share	**10**	10

8 Components of deferred tax assets/(liabilities) are as under :-

Depreciation	**(84,69,683)**	(94,93,537)
Provision for Doubtful Debts and Advances	**6,52,148**	6,52,148
Provision for Gratuity	**1,19,398**	5,88,065
Disallowance under the Income-tax Act, 1961	**43,372**	1,68,490
Total	**(76,54,765)**	(80,84,834)

The Company also has unabsorbed depreciation and carry-forward losses aggregating to Rs. 11,61,35,943/- (Previous year Rs.8,44,42,726/-), which if considered above will result into a net deferred tax asset. However, considering the present financial position and the requirement of the accounting standard regarding certainty/virtual certainty, the Company has considered deferred tax asset to the extent of the deferred tax liability as aforesaid hence has not accounted for the net deferred tax assets as at the year-end.

9 The post of Company Secretary has been vacant throughout the year. The Company is in the process of recruiting a whole time Company Secretary as required by section 383A of the Companies Act, 1956 and has issued advertisements during the year at regular intervals, requesting applications thereof.

10 The disclosure as required under Accounting Standard 15 (Revised 2005) on Employee Benefits (AS 15 R) regarding the company's gratuity plan is as follows:

Particulars		**March 31, 2011 Rupees**	March 31, 2010 Rupees
i)	Change in the Defined Benefit Obligation for Gratuity		
	Projected Benefit Obligation at the Beginning of the year	**41,01,232**	62,07,822
	Service Cost	**3,38,352**	3,07,877
	Interest Cost	**2,19,750**	4,79,921
	Past Service cost(Vested Benefit) incurred during the period	**2,98,248**	--
	Actuarial (Gains)/Loss	**(13,54,345)**	(18,61,092)
	Benefits paid	**(14,54,345)**	(10,33,226)
	Projected Benefit Obligation at the end of the year	**21,48,832**	41,01,232
	Defined Benefit Obligation liability for Gratuity as the Balance Sheet date is wholly funded by the Company		
ii)	Change in the Plan Assets		
	Fair value of the Assets at the beginning of the year	**27,47,700**	31,07,215
	Expected returns on plan Assets	**2,19,816**	2,37,485
	Contribution	**2,86,248**	3,77,955
	Benefits paid	**(14,54,345)**	(10,33,226)
	Actuarial Gain / (Loss) on Planned Assets	**(5,305)**	58,271
	Fair value of plan asset at the end of the year	**17,94,114**	27,47,700
iii)	Gratuity cost for the year		
	Service cost	**2,19,750**	3,07,807
	Interest cost	**3,38,352**	4,79,921
	Expected return on plan assets	**(2,19,816)**	(2,37,485)
	Actuarial (Gains)/Loss	**(13,49,100)**	(19,19,363)
	Past Service cost(Vested Benefit) recognised during the period	**2,98,248**	--
	Net periodic Gratuity cost	**(7,12,566)**	(13,69,120)
iv)	Actual Return on Plan assets		
	Expected Return on Plan assets	**2,19,816**	2,37,485
	Acturial Gain/(Loss) on Plan assets	**(5,305)**	58,271
	Actual Return on Plan assets	**2,14,511**	2,95,756
(v)	Assumptions: -		
	Discount rate	**8.00%**	8.25%
	Rate of increase in compensation levels of covered employees	**5.00%**	5.00%
	Rate of return on Plan Assets	**8.00%**	8.00%
vi)	Major category of Plan Assets as a percentage of total Plan assets		
	Insurer Manager Funds	**100%**	100%

11. Related Party Disclosures

(a)

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

(b)Transactions with the related parties during the year

Nature of transactions	Key management personnel and its relative	Enterprises over which key management personnel are able to exercise significant influence	Rupees Total
Miscellaneous Expenses			
Nanavati Speciality Chemicals Private Ltd.	–	201,384	201,384
(Air Conditioning, Service Charges)	(—)	(201,953)	(201,953)
Nanavati Electronics Private Limited	–	72,000	72,000
(Computer Service Charges)	(—)	(72,000)	(72,000)
Rent			
Nanavati Sons Private Limited	–	47,113	47,113
	(—)	(47,113)	(47,113)
Salaries, Wages & Bonus			
S. P. Jhaveri	–	–	–
	(64,998)	(—)	(64,998)
Loan received			
Nanavati Sons Private Limited	–	–	–
	(—)	(2,500,000)	(2,500,000)
Sonega Trades & Investments Pvt. Ltd.	–	5,000,000	5,000,000
	(—)	(—)	(—)
S. B. Jhaveri	–	–	–
	(1,800,000)	(—)	(1,800,000)
P. S. Jhaveri	–	–	–
	(9,000,000)	(—)	(9,000,000)
Loan repaid			
S. B. Jhaveri	–	–	–
	(300,000)	(—)	(300,000)
P. S. Jhaveri	21,450,000	–	21,450,000
	(—)	(—)	(—)
Remuneration to key management personnel - Managerial remuneration			
S. B. Jhaveri	632,641	–	632,641
	(867,315)	(—)	(867,315)
P. S. Jhaveri	594,205	–	594,205
	(569,810)	(—)	(569,810)
Interest paid			
Sonega Trades & Investments Pvt. Ltd	–	310,274	310,274
	(—)	(—)	(—)
Nanavati Sons Private Limited	–	50,000	50,000
	(—)	(95,822)	(95,822)
S. B. Jhaveri	30,000	–	30,000
	(62,424)	(—)	(62,424)
P. S. Jhaveri	99,729	–	99,729
	(12,49,822)	(—)	(12,49,822)
Sale of land			
P. S. Jhaveri	21,450,000	–	21,450,000
	(—)	(—)	(—)
Sales			
Phthalo Colours & Chemicals (I) Ltd.	–	110,204,917	110,204,917
	(—)	(43,605,901)	(43,605,901)
Recovery of Expenses			
Phthalo Colours & Chemicals (I) Limited	–	533,494	533,494
	(—)	(268,203)	(268,203)
Outstanding as at year end			
Receivables	–	54,352,993	54,352,993
	(—)	(2,93,26,327)	(2,93,26,327)
Payables	–	–	–
	(—)	(—)	(—)
Unsecured Loan			
S. B. Jhaveri	1,500,000	–	1,500,000
	(1,500,000)	(—)	(1,500,000)
P. S. Jhaveri	50,000	–	500,000
	(21,500,000)	(—)	(21,500,000)
Nanavati Sons Private Limited	–	2,500,000	2,500,000
	(—)	(2,500,000)	(2,500,000)
Sonega Tradea & Investments Pvt. Ltd.	–	5,000,000	5,000,000
	(—)	(—)	(—)

12. i) Segment Information for primary reporting (by business segment)
The Company has only one reportable segment as per Accounting Standard 17 on Segment Disclosure. (i.e. Solvent Extractions and Refined oil.)

ii) Secondary : Geographical (Location of customers) **(Rupees)**

		Export	Local	Total
A	Revenue [Turnover]	**4,00,04,865** (67,14,206)	**78,84,86,329** (79,70,89,346)	**82,84,91,194** (80,38,03,552)
B	Carrying amount of assets	**-** (–)	**35,45,49,643** (42,24,38,877)	**35,45,49,643** (42,24,38,877)
C	Additions to fixed assets (including CWIP)	**-** -	**1,61,679** (3,97,09,523)	**1,61,679** (3,97,09,523)

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

Figures in the bracket pertain to the figures of the previous year.

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

				Previous Year	
	Quantity M.T.	**Value Rupees**	Quantity M.T.	Value Rupees
A. Turnover				
De-oiled Cakes	**8,165**	**13,22,51,776**	24,389	37,49,20,798
Solvent Extracted Oils	**923**	**7,21,07,828**	2,281	13,89,37,375
Expeller Oils Refined/Soyabean Degummed Oil	**9,381**	**50,97,02,495**	5,499	24,23,50,558
Copper Scrap	**147**	**5,79,21,985**	84	2,67,13,130
Seeds	**-**	**-**	103	23,80,926
Phthalic Anhydride	**966**	**5,22,82,932**	298	1,64,87,307
Others		**42,24,178**		20,13,458
		82,84,91,194		80,38,03,552
B. Goods Traded in Purchases				
De-oiled cakes	**2,492**	**3,52,11,330**	1,046	1,11,31,325
Solvent Extracted Oils	**482**	**3,25,14,536**	249	1,46,65,894
Expeller Oils Refined/Soyabean Degummed Oil	**1,916**	**9,73,76,957**	3,528	13,65,38,835
Seeds	**-**	**-**	103	22,65,823
Copper Scrap	**147**	**5,62,54,594**	84	2,64,33,131
Phthalic Anhydride	**966**	**5,12,94,659**	298	1,62,62,022
		27,26,52,076		20,72,97,030
C. Raw Materials Consumed (Net of sales)				
Oilcakes	**5,557**	**9,33,95,395**	24,789	41,65,44,112
Expeller Oils	**7,289**	**36,02,86,914**	2,911	13,53,90,261
Others		**18,28,840**		49,30,752
		45,55,11,149		55,68,65,125

	Opening Stock		Closing Stock		Previous Year Opening Stock		Previous Year Closing Stock	
	Quantity M.T.	**Value Rupees**	**Quantity M.T.**	**Value Rupees**	Quantity M.T.	Value Rupees	Quantity M.T.	Value Rupees
D. Stocks								
De-oiled Cakes	**2,534**	**4,89,55,416**	**2,063**	**3,69,94,828**	2,470	3,33,25,694	2,534	4,89,55,416
Solvent Extracted Oils	**85**	**48,91,959**	**9**	**5,89,131**	33	18,90,362	85	48,91,959
Expeller Oils	**512**	**2,04,43,578**	**15**	**8,61,210**	24	8,28,379	512	2,04,43,578
Others		**1,46,868**		**-**		1,17,042		146,868
		7,44,37,821		**3,84,45,169**		3,61,61,477		7,44,37,821

E.	Capacity and Production		Previous Year
	Licenced Capacity	**Not Applicable**	Not Applicable
	Installed Capacity (As certified by the Management) Extraction Plant	**300 MTs per day**	300 MTs per day
	Production	**Quantity M.T**	Quantity M.T
	De-oiled Cakes	**5,202**	23,407
	Solvent Extracted Oils	**365**	2,084
	Expeller Oils Refined	**6,968**	2,459
		Rupees	Rupees
F.	Value of Imports on CIF basis in respect of : Traded Goods	**10,75,49,253**	4,27,50,883
G.	Expenditure in Foreign Currency :	**5,51,093**	8,50,113
	Other matters-(Travelling expenses, Bank Chgs, membership fees etc.)		
H.	a. The amount of Exchange Difference (including Forward cover Contract) included in the Profit and Loss account for the year is:		
	a. Exchange gain	**6,46,571**	6,86,860
	b. Exchange Loss	**8,81,591**	1,15,039

b. The company enters into foreign exchange forward contract to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupees. The counter party to the companies foreign currency forward contract is generally a bank.

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

	2011	2010	**2011**	2010
	In Rupees		**In foreign currency**	
Creditors	**2,93,72,619**	2,97,20,406	**$ 6,52,365**	$ 6,60,012

I.	Earnings in Foreign Exchange :		
	Export of Goods on FOB basis	**3,96,24,075**	62,95,998

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

Subject to necessary Compliance and approvals, it has been decided to exit from the manufacturing business of solvent oil extractions and edible oil Refinery in due course and also to enter into new business areas like manufacturing and trading in chemicals, merchant exporter business, trading in commodities, trading in refined edible oil under brand name and exports of deoiled cake, warehousing and logistic business and such other business incidental or ancillary to that. The Company has accounted for profit on sale of surplus vacant freehold land aggregating to Rs. 384.72 lacs, disclosed as 'Exceptional Item', for which the necessary transfer formalities are yet to be completed.

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

15 Figures of the Previous year have been regrouped and rearranged wherever necessary to correspond with those of the current year.

SIGNATURES TO SCHEDULES 1 TO 17

In Terms of our Report Attached

FOR **THINGNA & CONTRACTOR**
Chartered Accountants
(Registration No : 110963W)

SUNIL C. MODI
Partner
Membership No.042562
DATED : 27th May, 2011

For and on Behalf of the Board of Directors

S. B. JHAVERI
Chairman & Managing Director

P. S. JHAVERI
Jt. Managing Director

MUMBAI
DATED : 27th May, 2011

ANAND R. DALAL
ASIT D. JAVERI
ANKUR M. MANECK
Directors

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

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details

Registration No 09720 State Code : 11

Balance Sheet Date : 31.03.2011

II. Capital raised during the Year (Amount in Rs. Thousands)

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

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

Total Liabilities	Total Assets
4 0 1 2 5 9	4 0 1 2 5 9

Source of Funds

Paid-Up Capital	Reserves and Surplus
3 3 3 7 6	1 3 1 8 6 3
Secured Loans	**Unsecured Loans**
1 8 0 1 4 2	9 7 6 5
Deferred Tax Liability (net)	
N I L	

Application of Funds

Net Fixed Assets	Investments
1 8 7 0 0 3	N I L
Net Current Assets	
1 2 1 4 3 3	
Miscellanious Expenditure	**Accumulated Losses**
2 5 6 5	4 4 1 4 5

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

Turnover	Total Expenditure
8 2 8 4 9 1	8 3 0 9 9 1
+ - (Loss) / Profit Before Tax	+ - (Loss) / Profit after Tax
✓ 4 9 1 9	✓ 4 9 1 9
Earning per Share	**Dividend Rate %**
1.47	NIL

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

Item Code No. [ITC Code] 2 3 0 5 0 0 - 0 2

Product Description : OIL-CAKE MEAL OF GROUNDNUT SOLVENT EXTRACTED VARIETY (DEFATTED)

Item Code No. [ITC Code] 1 5 0 8 9 0 0 9 - 0 1 0

Product Description : GROUNDNUT OIL OF EDIBLE GRADE

Item Code No. [ITC Code] 2 3 0 4 0 0 - 0 3

Product Description: OIL-CAKE MEAL OF SOYABEAN SOLVENT EXTRACTED VARIETY

INDIAN EXTRACTIONS LIMITED

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

I hereby record presence at the 55th ANNUAL GENERAL MEETING of the Company being held on THURSDAY, the 22nd September, 2011 at 3.30 p. m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K.Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai - 400 001.

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

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

INDIAN EXTRACTIONS LIMITED

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

FORM OF PROXY

I/We _____

of _____

being a Member/Members of the above name Company, hereby appoint _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the 55th ANNUAL GENERAL MEETING of the Company to be held on THURSDAY, the 22ndh September, 2011 at 3.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Fort, (Behind Prince of Wales Museum), Mumbai 400 001 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Membership Folio No. _____

No. of Shares held _____

1 RS. Revenue Stamp

Important :

(a) Revenue Stamp of 1 Re. is to be affixed on this form.

(b) The form should be signed across the stamp as per specimen signature registered with the Company.

(c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting at Registered Office of the Company situated at Nanavati Mahalaya, 18, Homi Modi Street, Fort, Mumbai 400 001.

(d) A proxy need not be a Member.

BOOK-POST

If undelivered Please Return to:

INDIAN EXTRACTIONS LIMITED

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