



37TH ANNUAL REPORT - 2008 - 2009



INDIA GELATINE & CHEMICALS LIMITED





NAVINCHANDRA RAMDAS MIRANI
29-01-1935 TO 10-09-2008



CONTENTS

	Page No/s.
Board of Directors	2
Financial Highlights	3
Notice	4
Directors' Report	5-8
Management Discussion and Analysis	9
Report on Corporate Governance	10-16
Auditors' Report	17-19
Balance Sheet	20
Profit and Loss Account	21
Schedules and Notes to Accounts	22-35
Balance Sheet Abstract	36
Cash Flow Statement	38
Proxy / Attendance Slip	39



INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Director

NAVINCHANDRA RAMDAS MIRANI (UP TO 10.09.2008)

Executive Director

VIREN CHANDRASINH MIRANI

Directors

N.C. MIRANI

M.D. VORA

K.C. DALAL

H. KAWASAKI

S.N. PITTIE

Financial Controller-Cum- Company Secretary

K.P. VAGADIA

Auditors

MAHENDRA N. SHAH & CO.

Chartered Accountants

E-3, Capital Commercial Centre,

Ashram Road, Ahmedabad - 380 009.

E-mail : mnshahco@gmail.com

Bankers

Union Bank of India, Mumbai

HDFC Bank Ltd., Mumbai

Citibank, N. A., Mumbai

Head Office :

77/78, Mittal Chambers,

228, Nariman Point,

Mumbai - 400 021.

Factory :

Plot No.1A, GIDC Industrial Estate,

National Highway No.8,

Vapi - 396.195 (Gujarat)

Registered Office :

703/704, 'Shilp', 7th Floor,

Near Municipal Market,

Sheth C.G. Road, Navrangpura,

Ahmedabad - 380 009

Tel : (079) 26469514

Registrar & Securities Transfer Agent :

Sharepro Services (India) Pvt. Ltd.

13AB Samhita Warehouseing Complex,

Second Floor,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road,

Andheri (East),

Mumbai - 400 072

Tel : (022) 67720300 Fax : (022) 28375646



FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Sr.No.		2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
1	Shareholders' Funds	8099	8135	8326	8448	9073
2	Loan Funds	475	508	245	296	150
3	Debt Equity Ratio	1 : 0.06	1 : 0.06	1 : 0.03	1 : 0.04	1 : 0.02
4	Sales & Other Income	5378	6057	6421	6178	8225
5	Profits (Subject to Depreciation & Tax)	464	418	331	614	1687
6	Net Profit / (Loss) Subject to Tax	95	37	(52)	226	1278
7	Profit / (Loss) after Tax & Before Extra Ordinary Items	68	36	(34)	199	845
8	Net Profit / (Loss) after Extra Ordinary Items	68	36	(34)	199	845
9	Book Value of Share (Rs)	95.51	95.94	88.57	89.87	96.52
10	Dividend %	5	—	—	7	20



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Thirty Seventh Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD. will be held at GICEA, Nirman Bhavan (Gajjar Hall) Nr. Law Garden, Ahmedabad – 380 006 on Friday, the 25th September, 2009 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. S.N. Pittie, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. H. Kawasaki, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. M.D. Vora, who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint Auditors for the year 2009-2010 and to fix their remuneration.

By Order of the Board of Directors

K.P. VAGADIA

(Company Secretary)

Place : Ahmedabad
Date : 01-08-2009

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and that such proxy need not be a member.
2. Proxies in order to be valid must be received by the Company, not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 18-09-2009 to 25-09-2009 (both days inclusive)
4. Dividend if declared / approved will be paid to the shareholders holding shares of the Company within 30 days from the date of declaration in terms of section 205-A of the Act.
5. Members are informed that the company's equity shares are compulsorily traded in demat form for all investors, effective from 1st April, 2002. Members may open Depository Account in their names with a Depository Participant to dematerialize their holdings.
6. Pursuant to section 205A of the Companies Act, 1956, all Unclaimed Dividend up to financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government, which can be claimed by the Shareholders by submitting application to the Registrar of Companies, Ahmedabad,
7. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General meeting. Members are requested to bring their copies of the Annual Report at the meeting.
9. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.

Details of Directors seeking reappointment at the forthcoming Annual General Meeting :
(Disclosure pursuant to Clause 49 of Listing Agreement)

	Name	Mr. S.N. Pittie	Mr. H. Kawasaki	Mr. M.D. Vora
1	Date of Birth	18.09.1952	04.12.1963	24.05.1931
2	Date of Appointment	19.07.2006	27.04.2005	22.01.1975
3	Qualification	B.A. (Hons) DERE, MBA (Finance)	Agro Chemist	MA, LLB, DBM
4	Expertise in Specific Functional Area	Industrialist with Rich Business Experience in General	Executive with Rich Business Experience in General	Industrialist with Rich Business Experience in General
5	Directorship in other Public Ltd. Companies	2	—	—
6	Membership of committees in other Public Ltd. Companies	1	—	—



DIRECTORS' REPORT

The Directors of your Company have pleasure to present their 37th Annual Report with the Audited Statements of Accounts for the year ended 31st March, 2009.

	2008-2009 Rs.	2007-2008 Rs.
FINANCIAL RESULTS		
Profit for the year after deducting all the charges and expenses but before Interest, depreciation and taxation (EBIDTA)	17,27,59,496	6,43,32,704
FROM WHICH ARE DEDUCTED		
Interest & Financial Charges	40,10,861	28,92,773
Depreciation	4,09,44,453	3,88,45,314
Taxation		
Current	4,85,00,000	1,10,00,000
Deferred	(67,55,731)	(1,09,47,347)
Fringe Benefit Tax	15,30,000	13,00,000
	<u>8,82,29,583</u>	<u>4,30,90,740</u>
Resulting in a Net Profit	8,45,29,913	2,12,41,964
Less : Prior year adjustments	—	13,90,710
NET PROFIT FOR THE YEAR	<u>8,45,29,913</u>	<u>1,98,51,254</u>
TO WHICH IS ADDED :		
Surplus Brought Forward	1,32,25,680	1,10,72,697
BALANCE AVAILABLE FOR APPROPRIATION	<u>9,77,55,593</u>	<u>3,09,23,951</u>
APPROPRIATION FOR		
Proposed Dividend	1,88,00,000	65,80,000
Corporate Dividend Tax	31,95,060	11,18,271
General Reserve	4,00,00,000	1,00,00,000
Surplus Carried to next year's account	3,57,60,533	1,32,25,680
	<u>9,77,55,593</u>	<u>3,09,23,951</u>

Operations :

Over the last few years the management has been striving for an increase in the off take of the company's products and this has shown results during the operations of the year. All the products of the company have shown a marked growth in both production as well as sales which has led to a substantial jump in the top line as well as the profitability of the company.

Improved realization for Ossein & Gelatine as well as the reduction in energy cost have been the major contributors for the higher profitability. The Global Financial Crisis may however put pressure on the performance of the company in the coming year.

In order to meet with the possible crisis, the company will make all efforts to maintain the sales of its products as well as to control costs in various areas of its operations.

Dividends :

Your directors recommend, for your consideration a dividend of Rs. 2/- per share for the year under consideration. This will absorb Rs. 188.00 lacs and Rs. 31.95 lacs towards Dividend Distribution Tax which will be absorbed by the Company.



INDIA GELATINE & CHEMICALS LTD.

Taxation :

The Company has made a provision of Rs. 485 lacs towards current year's Income Tax & Wealth Tax and Rs.15.30 lacs for Fringe Benefit Tax.

Finance :

The Company continues to get requisite assistance and co-operation from its bankers as & when needed.

Industrial Relations :

Industrial relations continued to remain cordial and satisfactory.

Directors :

Mr. N.R. Mirani, the Company's Promoter & Managing Director passed away on 10/09/2008. He was the motivating force behind the stupendous growth achieved by IGCL and the pillar & strength of the Company. His was an awe inspiring personality with firm determination & strong commitment, persuasive approach and cheerful disposition.

On his departure the company has lost its friend, philosopher and guide. May almighty rest his soul in eternal peace.

Mr. S.N. Pittie, Mr. H. Kawasaki and Mr. M.D. Vora retire by rotation at the ensuing Annual General Meeting and are being eligible offer themselves for re-appointment.

Directors' Responsibility Statement :

As stipulated in section 217(2AA) of the Companies Act, 1956, your Directors adhere to the "Directors' Responsibility Statement" and confirm as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements 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 year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

Auditors :

Messrs Mahendra N. Shah & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

They have furnished a certificate to the effect that the reappointment if made will be in accordance with sec.224 (1B) of the Companies Act, 1956.

Insurance :

All the properties of the Company including building, plant and machinery and stocks have been adequately covered under insurance.



Particulars of Employees :

The information u/s 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March 2009 is annexed hereto.

Management Discussion and Analysis Report :

Report on Management Discussion and Analysis is annexed herewith.

Corporate Governance :

A report on Corporate Governance alongwith certificate from the auditors are annexed.

Particulars of Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, and forming part of the Directors' Report is annexed hereto.

Acknowledgment :

The Board of Directors appreciate the devoted services of the workers, staff and executives who have contributed to the efficient management of the affairs of the Company. Your directors place on record their gratitude to the State and Central Government, Sojitz Corporation, the company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

For and on behalf of the Board of Directors
Nalin K. Vissanji
Chairman

Place : Mumbai
Date : 31-07-2009

ANNEXURE TO DIRECTORS REPORT

Information under section 217 (2A) of Companies Act, 1956 in respect of the Employees who draw remuneration of Rs.24,00,000/- or more during the year of Rs.2,00,000/- or more per month, if employed for part of the year.

Sr. No.	Name	Designation	Remuneration Rs.	Qualification	Age Years	Experience Year	Date of Commencement of employment	Last Employment and Designation
1	Mr. N.R.Mirani	Managing Director (up to 10.09.2008)	35,64,424	B.Com	73	53	1 st Sept, 1980	—
2	Mr. V.C.Mirani	Executive Director	78,46,498	B.Com	44	24	21 st July,2000	—

Note : 1) Nature of Employment : The above employments are contractual

For and on behalf of the Board of Directors
Nalin K. Vissanji
Chairman

Place : Mumbai
Date : 31-07-2009



ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules – 1988 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

A) CONSERVATION OF ENERGY

a) Additional investments and proposals.

- i) Modification in ETP Plant & possibility of Biogas generation is under study.
- ii) Usage of Solar Energy is under active study

b) Impact of measures in the above.

On implementation of the above, the Company expects substantial saving in energy consumption.

c) Total energy consumption and energy consumption per unit of production

FORM – A

	<u>2008-09</u>	<u>2007-08</u>
I Power & Fuel Consumption		
1 Electricity		
a) Purchased		
Unit (KWH)	801720	1258300
Total Amount (Rs.)	56,14,811	72,69,203
Rate / Unit (Rs.)	7.00	5.78
b) Own Generation		
1) Through Diesel Generator	N.A.	N.A.
Units (KWH)	-	184800
Unit per Ltr. Of Diesel	-	3.03
Cost / Unit (Rs.)	-	11.47
2) Through FO Base Generator		
Units (KWH)	53940	4666680
Unit per Ltr. of F.O.	2.89	4.28
Cost / Unit (Rs.)	8.22	4.44
3) Through Steam Turbine Generator	N.A.	N.A.
4) Through Gas Base Generator		
Units (KWH)	9431440	4336355
Unit per sm ³ of Gas	3.60	3.58
Cost / Unit (Rs.)	5.00	3.72
II a) Furnace Oil / LSHS		
Quantity (Kgs.)	626521	3175463
Total Amount (Rs.)	98,68,005	6,04,29,060
Average Rate per Kgs. (Rs.)	15.75	19.03
b) Natural Gas (CNG) /SM ³		
Quantity (sm ³)	6477731	3314869
Total Amount (Rs.)	9,53,27,964	4,42,67,222
Average Rate per sm ³ . (Rs.)	14.72	13.35

a. Consumption per unit of production.

	Standards	2008-2009		2007-2008	
Product-Unit	MTs	Ossein	Gelatine	Ossein	Gelatine
Electricity	Unit	1158.00	3161.00	1310.26	3594.416
Furnace Oil	Kgs.	1.81	442.00	284.51	2468.03
Natural Gas (CNG)	SM ³	253.00	2007.00	275.50	2495.29

(B) TECHNOLOGY ABSORPTION

FORM 'B'

Research and Development

- i. For quality improvement of the main products viz. Ossein and Gelatine, Research and Development is carried out by the Company.
- ii. The quality of the products manufactured by the company has been accepted by our buyers.

There is no rejection in the goods exported. However, there is ample scope for further improvement in the quality.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and outgo is contained in Note No.14 (e),(f),(i) & (j) of Notes on Accounts.

For and on Behalf of the Board of Directors.

Place : Mumbai

Nalin K. Vissanji

Date : 31-07-2009

Chairman



MANAGEMENT DISCUSSION & ANALYSIS REPORT

EXPORT :

The Company's continuing efforts for the development of the export markets over the years have materialised and have helped the overall performance of the company during the year. Gelatine exports during the year recorded a growth of 39.39% over the previous year.

Photographic, Pharmaceutical and Food Grade Gelatine remained strong during the year, however, Photographic Gelatine may witness reduction in volumes in the coming years.

During the year exports of Ossein also remained strong.

DOMESTIC :

The domestic market for Gelatine is relatively small in India although every year there is a fair amount of growth especially for the Pharmaceutical use. The company has also maintained its market share within the domestic area.

DCP market remained strong throughout the year due to expansion of the poultry feed industry.

THREATS :

BSE (Mad Cow Disease) related regulations in importing countries continue to affect the free trade of Ossein and Gelatine. This coupled with the Global Financial Crisis may affect the overall off take of the company's products viz. Ossein and Gelatine.

OPPORTUNITIES :

The Pharmaceutical and Food Grade Gelatines remain relatively inelastic even with the Global slowdown. DCP should remain firm due to the consistent growth in the poultry sector.

OUTLOOK :

The company has achieved its highest production during the year and with further modernisation plans undertaken recently it is likely that even higher production will be achieved in the forthcoming year. Going Green the company has embarked on the path of achieving the cleaner and Greener way to move forward by the implementation of the Gas power plant as its first step. Further steps such as usage of solar energy is under active study thereby substantially reducing dependence on fossil fuels and simultaneous reduction of carbon emissions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has proper and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audit, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

FINANCIAL AND OPERATIONAL PERFORMANCE:-

Turnover increased by 38.37% to Rs.78.26 Crores during the year ended 31st March 2009 as compared to Rs.56.56 Crores during the previous year. EBIDTA (earning before Interest, Depreciation, Taxes and Extra Ordinary Item) for the Current year is Rs. 17.27 Crores as against Rs. 6.43 Crores in the previous year.

The company declared dividend @20% as against @ 7% in the previous year

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:-

The Company recognises the importance and contribution of its Human Resources for its growth and development and is committed to the development of its people. The Company has implemented various methods and practices for Human Resources Development.

The Company has 86 Employees on its rolls as on 31st March 2009.

CAUTIONARY STATEMENTS:-

Statements in the Management's Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be "forward looking predictions" within the meaning of applicable securities, laws and regulations. Actual results may differ from such estimates, projections, etc., whether expressed or implied.. Factors which would make a significant difference to the Company's operations include achievement of better quality and good market price in domestic and overseas market, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.



CORPORATE GOVERNANCE

In pursuance of Sec.292A of the Companies Act and clause 49 of the Listing Agreement, the Company has complied with the requirements of Corporate Governance.

Good Corporate Governance makes excellent business sense. It augments superior Corporate Performance. It is often the distinguishing factor between companies that progress rapidly and companies that stagnate. Good Corporate Governance is continuous process and is achieved through an optimum mix of regulatory compliance, disclosures and practices, transparent and fair conduct that enhances the trust of various interest groups like shareholders, employees, suppliers, creditors, customers and society at large.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

For IGCL, Corporate Governance is an important corner stone which creates shareholders' value on a sustainable basis. As stated in past, your company reiterates its commitment to the concept of Trusteeship. The creed of Trusteeship, the backbone of good corporate governance is pursued by your company with consistent & effective adherence to the philosophy of transparency, adequate disclosure, fairness to all and independent monitoring & supervision in the conduct of its business operation.

2. BOARD OF DIRECTORS

A. Composition of the Board :

It is well recognized that there should be optimum combination of executive and non-executive Directors. IGCL's Board meets this requirement as it is consisting of 5 independent Directors, out of total 8 directors. The Chairman of the Company is also an independent director.

Name of the Directors	Category	Number of Directorship in Companies	Number of Chairmanship / membership in Board Committees
1 Mr. Nalin K. Vissanji	Chairman/ Non Exe. Dir.	1	2
2 Mr. N.R. Mirani (upto 10.09.08)	Mg. Director	3	1
3 Mr. M.D. Vora	Non Exe. Dir.	1	2
4 Mr. N.C. Mirani	Non Exe. Dir.	3	1
5 Mr. V.C. Mirani	Exe. Director	2	1
6 Mr. H. Kawasaki	Non Exe. Dir.	1	—
7 Mr. K.C. Dalal	Non Exe. Dir.	2	1
8 Mr. S. N. Pittie	Non Exe. Dir.	3	1

B. Details of numbers, dates and attendance of the Board Meetings :

Name of the Directors	Number of Board meetings held while holding the office	Number of Board meetings attended while holding the office	Attendance at last AGM
Mr. Nalin K. Vissanji	5	4	NO
Mr. N.R. Mirani (up to 10.09.08)	2	1	NO
Mr. M.D. Vora	5	5	YES
Mr. N.C. Mirani	5	4	NO
Mr. V.C. Mirani	5	4	YES
Mr. H. Kawasaki	5	—	NO
Mr. K.C. Dalal	5	4	YES
Mr. S.N. Pittie	5	3	YES



Total 5 Board meetings were held in the year 2008-2009. The dates on which the said meetings were held are as follows :

- (1) 30.04.2008 4) 27.10.2008
- (2) 29.07.2008 5) 30.01.2009
- (3) 05.09.2008

3. AUDIT COMMITTEE

A. Terms of Reference

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half yearly and Annual Financial Statements before they are submitted to the Board of Directors.

The Committee also meets the operating Management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee meetings are circulated to the Members of the Board, discussed and taken note of.

B. Composition

The Audit Committee of the Board of Directors was formed in 2001 and as on today it comprises of 4 Non-Executive Directors. The Committee met 4 times during the year and the attendance of Members at the Meeting was as follows :

Name of Member	Status	No. of Meetings Attended
Mr. K.C. Dalal	Chairman	3
Mr. M.D. Vora	Member	4
Mr. N.C. Mirani	Member	4
Mr. S.N. Pittie (From 30.09.08)	Member	1

The Company Secretary is the Secretary of the Committee.

Statutory Auditors and Internal Auditors were invited and attended almost all the meetings.

4. REMUNERATION COMMITTEE :

A. Composition

Remuneration committee consists of

- a) Mr. Nalin K. Vissanji - Chairman
- b) Mr. M.D. Vora - Member
- c) Mr. N.C. Mirani - Member

B. Remuneration Policy

Remuneration of employees largely consists of basic remuneration & perquisites.

The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

C. Details of Directors' remuneration paid for the year ended 31.03.2009

A. Executive Directors :

(Rs in Lacs)

Name	Salary	Comm.	Perks	Retirement Benefit	Total
Mr. N.R. Mirani – Mg. Director (upto 10.09.2008)	8.00	11.26	10.66	5.72	35.64
Mr. V.C. Mirani – Exe. Director	26.40	33.36	7.67	11.04	78.47



INDIA GELATINE & CHEMICALS LTD.

1. Notice period for termination of appointment of Managing /Executive Director is six months on either side.
2. No severance pay is payable on termination of appointment.

B. Others

1. All Indian Non Executive Directors are paid sitting fees of Rs.5,000/- for attending Board and Audit Committee meetings.
2. Professional Fees of Rs.38,605/- has been paid to M/s.C.C. Dalal & Co., a firm in which Mr. K.C. Dalal, a Non Executive Director is a Partner.

5. Shareholders' Grievance /Share Transfer Committee

A. Terms of reference :

The committee deals with various matters relating to :

- Transfer / Transmission / Transposition of Shares.
- Consolidation / splitting of Folios.
- Issue of share Certificates for Lost, Subdivided, Consolidated, Rematerialized, defaced etc.
- Investors grievances and redressed mechanism and recommend measures to improve the level of investor services.

B. Composition :

The Shareholders' Grievance Committee comprises Chairman, Managing Director & Executive Director.

During the year, the Committee held 14 meetings and the attendance of Members was as follows :

Name of Member	Status	No. of Meeting attended
Mr. Nalin K. Vissanji	Chairman	14
Mr. N.R. Mirani (upto 10.09.08)	Member	5
Mr. V.C. Mirani	Member	14

The Company Secretary is the Compliance Officer.

6. CODE OF CONDUCT :

The code of conduct for the Directors and Senior Management Personnel has been laid down by the board and the same is posted on the website of the company.

7. INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has, effective February 20, 2002 introduced amendments to the existing Insider Trading Regulations of 1992 which requires new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Regulations, 1992) as amended, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. K.P. Vagadia, Financial Controller cum Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

8. DISCLOSURES

- A. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

There are no materially significant related party transactions made by the Company with its Promoters, Directors in Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties as per requirements of Accounting Standard (AS-18) - ' Related Party Disclosures' issued by the institute of Chartered Accountants of India are disclosed in Note No.11 of Schedule 19 to the Accounts in the Annual Report.

- B. Disclosure of Accounting Treatment :

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the annexure to Notes to the Accounts.



C. Risk Management :

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

D. Details of non-compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

E. Non-mandatory requirements :

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

9. MEANS OF COMMUNICATION :

A. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed time limit.

B. The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the national English newspapers namely "Indian Express (English and Gujarati editions) and Financial Express".

C. Pursuant to Clause 51 & newly inserted clause 52 of the Listing Agreement all data related to quarterly financial results, shareholding pattern etc., are filed with the Stock Exchange within time.

D. No formal presentations were made to the Institutional investors and analysts during the year under review.

E. Management Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

10. GENERAL BODY MEETINGS :

Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by Postal Ballot are as under;

Details of the last three AGMs are given below :

Consecutive Year	Consecutive / No. of AGM	Held At	Date	Time
2005-2006	34th	Gajjar Hall, Nr. Law Garden Ellisbridge, Ahmedabad-380006	29.08.2006	11.00 am
2006-2007	35th	Hotel Comfort, Inn Sunset (Conference Hall) Airport Circle, Ahmedabad-382475	24.08.2007	11.00 am
2007-2008	36th	Gajjar Hall, Nr. Law Garden Ellisbridge, Ahmedabad-380006	05.09.2008	11.00 am

Whether special resolutions were put through postal ballot last year? **N.A**

Are polls proposed to be conducted through postal ballot this year? **N.A**

11. SHAREHOLDERS INFORMATION :

1. 37th Annual General Meeting

Date : Friday, 25th September 2009

Time : 11.00 a.m.

Venue : Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380006.

2. Date of Book Closure 18-09-2009 to 25-09-2009

(Both days inclusive)



INDIA GELATINE & CHEMICALS LTD.

3. Listing of Shares
- Bombay Stock Exchange
 - Ahmedabad Stock Exchange

4. Stock Code :

<u>Stock Exchange</u>	<u>Stock Code</u>
Ahmedabad Stock Exchange Ltd.	25710
Bombay Stock Exchange Ltd.	531253

Market Price Data (Bombay Stock Exchange) for the year 2008-09 (In Rupees)

Month	High	Low
April	23.00	18.55
May	24.40	20.55
June	23.10	16.00
July	21.50	13.05
August	24.95	19.00
September	24.00	19.00
October	22.30	12.00
November	17.30	12.09
December	21.95	14.90
January	22.00	18.30
February	22.95	19.05
March	25.95	18.05

5. Address for investor correspondence :

SHAREPRO SERVICES (INDIA) PVT. LTD.

13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Andheri (East), Mumbai – 400 072
Tel No. (022) 67720300 Fax No.(022) 28375646

India Gelatine & Chemicals Ltd .

703/704, "Shilp", 7th floor, Near Municipal Market, C.G. Road, Navrangpura, Ahmedabad – 380 009
Tel No.(079) 26469514 E-Mail : kpv@indiagelatine.com

6. Distribution of Shareholding as at 31.03.2009

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	Share Holding %
0 - 1000	3849	1026350	10.92
1001 - 5000	465	1002277	10.66
5001 - 10000	60	435665	4.64
10001 and above	77	6935708	73.78
	4451	9400000	100.00

7. Equity Shares of the company are traded in Demat.

8. Outstanding GDRs/Warrants : Not Applicable.

9. Plant Location :

Manufacturing Plant of the Company is situated at Plot No.1A, GIDC, Vapi 396195 Gujarat.

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

The Board of Directors of the company have approved and adopted the code of conduct for the Directors and the Senior Management Personnel. The Directors and Senior Management Personnel have affirmed compliance of the same for the year ended 31.03.09 as stipulated in sub clause 1(D)(ii) of clause 49 of the Listing Agreement with the Stock Exchanges.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 31-07-2009

Nalin K. Vissanji
Chairman

CEO/CFO CERTIFICATE

**The Board of Directors
India Gelatine & Chemicals Ltd.**

We certify that :

1. We have reviewed the financial statements, read with the cash flow statement of India Gelatine & Chemicals Limited (the Company) for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
4. We have disclosed to the Company's Auditors, the Audit Committee, and the Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in the Company's internal control over financial reporting during the year.
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c) that to the best of our knowledge, no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting existed during the period under review.

Place : Mumbai
Date : 31-07-2009

K.P. Vagadia
(Financial Controller)

V.C. Mirani
(Executive Director)



INDIA GELATINE & CHEMICALS LTD.

**Auditors' Certificate on Compliance with the conditions of Corporate Governance
Under Clause 49 of the Listing Agreement.**

To
The Members
India Gelatine & Chemicals Ltd.

1. We have examined the compliance of conditions of Corporate Governance by India Gelatine & Chemicals Ltd. (the Company) for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Mahendra N. Shah & Co.,
Chartered Accountants
Chirag M. Shah
Partner
M. No.F-45706

Place : Ahmedabad
Dated : 01-08-2009

**AUDITORS REPORT**

To
The Members
India Gelatine & Chemicals Ltd.

- 1) We have audited the attached Balance Sheet of M/s. India Gelatine & Chemicals Ltd., as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that :
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Act.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

Place : AHMEDABAD
Date : 01-08-2009

For MAHENDRA N. SHAH & CO.
Chartered Accountants
CHIRAG M. SHAH
Partner
M.NO.F-45706



ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the members of India Gelatine & Chemicals Ltd. on the financial statements for the year ended 31st March, 2009.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Company's programme of physical verification of all its fixed assets over a period of three years is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion, the company has not disposed off substantial part of Fixed Assets during the year.
2. a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. a) The Company has granted Loans to Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (i) The Company has granted loan to associate concern aggregating to Rs.8.05 Crores during the year.
- (ii) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the Company.
- (iii) The payment of Principal Amount as well as Interest thereof are also regular.
- (iv) In respect of loans granted by the Company, the same are repayable on demand and Rs. 7.05 crore is outstanding at the end of the year.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly the provisions of clauses iii(f) and iii(g) of the Order are not applicable to the Company.
4. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
5. a) The particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register maintained under that section.
- b) The transactions made in pursuance of contracts or arrangements referred to in section 301 of the Act are, in our opinion, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with by the Company. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal relevant to sec. 58A, 58AA or the other relevant provisions of the Act.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Govt. has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.



9. (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, fringe benefit tax, value added tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of such taxes, duties, cess were outstanding, as at 31st March, 2009 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the following demands as on 31.03.2009 have not been deposited since appeals are pending before the relevant authorities.

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs.) (Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty & Service Tax	13.14	1980-81 to 1983-84	Dy. Commissioner of & CEGAT Excise

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the bank during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause (xii) of the Order are not applicable to the Company.
13. The Company is not a chit fund or a nidhi/mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of the Order are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All securities & other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company.
16. The Company has applied the term loans for the purpose for which the loans were obtained.
17. Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (xviii) of the Order are not applicable to the Company.
19. The Company has not raised any funds through debentures. Hence, the provisions of clause (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year. Hence, the provisions of clause (xx) of the Order are not applicable to the Company.
21. We report that no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For MAHENDRA N. SHAH & CO.
Chartered Accountants
CHIRAG M. SHAH

Place : AHMEDABAD

Date : 01-08-2009

Partner

M.NO.F-45706



BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule	As At 31.03.2009		As At 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	9,40,00,000	9,40,00,000	
Reserves & Surplus	2	<u>81,33,15,256</u>	<u>75,07,80,403</u>	
		90,73,15,256		84,47,80,403
Loan Funds :				
Secured Loans	3	1,50,26,207		2,95,62,710
Deferred Tax Liabilities	4	<u>9,16,98,746</u>		<u>9,84,54,477</u>
TOTAL		<u>101,40,40,209</u>		<u>97,27,97,590</u>
APPLICATION OF FUNDS :				
Fixed Assets :				
Gross Block	5	91,77,52,799	88,65,18,087	
Less : Depreciation		<u>46,65,19,667</u>	<u>42,97,91,651</u>	
Net Block		<u>45,12,33,132</u>	<u>45,67,26,436</u>	
Capital work in Progress		—	2,10,418	
		45,12,33,132		45,69,36,854
Investments	6	21,14,07,850		11,74,83,450
Current Assets, Loans and Advances				
Current Assets				
Interest Accrued on Investment		67,05,707	35,24,616	
Inventories	7	20,21,29,929	17,58,69,240	
Sundry Debtors	8	3,32,40,147	7,37,58,792	
Cash & Bank Balances	9	4,14,03,150	2,98,77,286	
Loans & Advances	10	<u>24,37,42,019</u>	<u>20,87,58,139</u>	
		52,72,20,952	49,17,88,073	
Less : Current Liabilities & Provisions				
Current Liabilities	11	4,60,17,738	2,71,43,429	
Provisions	12	<u>12,98,03,987</u>	<u>6,62,67,358</u>	
		17,58,21,725	9,34,10,787	
Net Current Assets		<u>35,13,99,227</u>		<u>39,83,77,286</u>
		<u>101,40,40,209</u>		<u>97,27,97,590</u>
Significant Accounting Policies	18			
Notes on Accounts	19			

As per our attached report of even date

For MAHENDRA N. SHAH & CO.
Chartered Accountants

Nalin K. Vissanji
Chairman

Viren C. Mirani
Executive Director

Chirag M. Shah
Partner
M. No.: F-45706

K. P. Vagadia
Company Secretary

K. C. Dalal }
M. D. Vora } Directors

Place : Ahmedabad
Date : 01-08-2009

Place : Mumbai
Date : 31-07-2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	2008-2009		2007-2008	
		Rs.	Rs.	Rs.	Rs.
I. Income :					
Sales		79,06,49,704		57,45,10,263	
Less : Excise Duty		<u>80,47,471</u>		<u>89,39,378</u>	
Net Sales		78,26,02,233		56,55,70,885	
Other Income	13	3,98,84,714		5,21,89,054	
Increase/(Decrease) in Inventories	14	<u>(1,57,64,019)</u>		<u>2,30,07,865</u>	
		80,67,22,928		<u>64,07,67,804</u>	
II. Expenditure :					
Consumption of Raw Materials	15	31,10,99,694		29,35,11,562	
Manufacturing, Administrative					
Selling and Distribution Expenses	16	32,28,63,738		28,29,23,538	
Interest & Other Financial Charges	17	40,10,861		28,92,773	
Depreciation		<u>4,09,44,453</u>		<u>3,88,45,314</u>	
		67,89,18,746		<u>61,81,73,187</u>	
III Profit for the Year		12,78,04,182		2,25,94,617	
Less : Short provision for tax		<u>—</u>		<u>13,90,710</u>	
IV Profit Before Tax		12,78,04,182		2,12,03,907	
Add/(Less) Provision for (i) Current Tax		(4,85,00,000)		(1,10,00,000)	
(ii) Deferred Tax		67,55,731		1,09,47,347	
(iii) Fringe Benefit Tax		<u>(15,30,000)</u>		<u>(13,00,000)</u>	
V Profit After Tax		8,45,29,913		1,98,51,254	
Add : Surplus brought forward from last year		<u>1,32,25,680</u>		<u>1,10,72,697</u>	
VI SURPLUS AVAILABLE FOR APPROPRIATION		9,77,55,593		<u>3,09,23,951</u>	
VII APPROPRIATION TO :					
Proposed Dividend		1,88,00,000		65,80,000	
Corporate Dividend Tax		31,95,060		11,18,271	
General Reserve		4,00,00,000		1,00,00,000	
Balance Carried to Balance Sheet		<u>3,57,60,533</u>		<u>1,32,25,680</u>	
		9,77,55,593		<u>3,09,23,951</u>	
Significant Accounting Policies	18				
Notes on Accounts	19				

As per our attached report of even date

For MAHENDRA N. SHAH & CO.
Chartered Accountants

Nalin K. Vissanji
Chairman

Viren C. Mirani
Executive Director

Chirag M. Shah
Partner
M. No.: F-45706

K. P. Vagadia
Company Secretary

K. C. Dalal }
M. D. Vora } Directors

Place : Ahmedabad
Date : 01-08-2009

Place : Mumbai
Date : 31-07-2009


INDIA GELATINE & CHEMICALS LTD.

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital : 1,25,00,000 (Previous year 1,25,00,000) Equity Shares of Rs.10/- each	12,50,00,000	12,50,00,000
	<u>12,50,00,000</u>	<u>12,50,00,000</u>
Issued, Subscribed & Paid-up Capital : 94,00,000 (Previous Year 94,00,000) Equity shares of Rs.10/- each (of the above, 56128 shares are allotted as fully Paid-up to the Collaborators pursuant to the contract, for other than cash, and 80,30,000 Shares have been issued as fully paid-up bonus shares by capitalisation of Reserves.)	9,40,00,000 9,40,00,000	9,40,00,000 9,40,00,000
	<u>9,40,00,000</u>	<u>9,40,00,000</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
SHARE PREMIUM Balance as per last year	13,63,40,000	13,63,40,000
CAPITAL RESERVE : Balance as per last year	6,30,26,000	6,30,26,000
GENERAL RESERVE : Balance as per last year	53,81,88,723	52,81,88,723
Add : Transfer from Profit & Loss Account	<u>4,00,00,000</u>	1,00,00,000
	57,81,88,723	53,81,88,723
PROFIT AND LOSS ACCOUNT	<u>3,57,60,533</u>	1,32,25,660
	<u>81,33,15,256</u>	<u>75,07,80,403</u>
SCHEDULE - 3		
SECURED LOANS :		
Foreign Currency Loan :		
From Sumitomo Mitsui Banking Corporation (Hongkong Branch) [Against Exclusive first charge by way of Equitable Mortgage of Factory Land Building and Hypothecation of Plant, Machineries & Equipment (present and future) (Repayable during next 12 months Rs.Nil)]	—	1,00,25,000
Export Packing Credit		
From Union Bank of India (Against hypothecation of Raw Materials, Work in progress and Finished goods meant for export)	—	1,61,09,518
Vehicle Loan		
From ICICI Bank Ltd.	1,13,87,072	31,96,584
From HDFC Bank Ltd.	35,78,950	—
From CITI Bank Ltd.	<u>60,185</u>	2,31,608
	1,50,26,207	34,28,192
	<u>1,50,26,207</u>	<u>2,95,62,710</u>
SCHEDULE - 4		
DEFERRED TAX LIABILITIES (NET)		
Opening Balance	9,84,54,477	10,94,01,824
Less : Write back during the year	67,55,731	1,09,47,347
	<u>9,16,98,746</u>	<u>9,84,54,477</u>

SCHEDULE - 5

FIXED ASSETS :

DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01/04/2008 Rs.	Additions During the Year Rs.	Sales/ Adjustments During the Year Rs.	As on 31/03/2009 Rs.	Up to 31/03/2008 Rs.	Provided During the Year Rs.	Sales/ Adjustments During the Year Rs.	Up to 31/03/2009 Rs.	As on 31/03/2009 Rs.	As on 31/03/2008 Rs.
Land (Leasehold)	5,18,991	—	—	5,18,991	1,78,228	5,242*	—	1,83,470	3,35,521	3,40,763
Land (Leasehold) Plot A-2	16,23,125	—	—	16,23,125	65,580	16,395*	—	81,975	15,41,150	15,57,545
Land (Freehold)	4,46,377	—	—	4,46,377	—	—	—	—	4,46,377	4,46,377
Buildings	15,49,50,178	1,45,428	—	15,50,95,606	4,44,40,292	37,72,643	—	4,82,12,935	10,68,82,671	11,05,09,886
Plant & Machinery	66,31,13,724	1,33,10,276	2,58,840	67,61,65,160	35,11,90,816	3,22,68,004	2,45,898	38,32,12,922	29,29,52,238	31,19,22,908
Furniture, Fittings & Office Equipments.	1,49,17,595	7,84,729	2,21,528	1,54,80,796	1,00,80,850	6,29,529	50,442	1,06,59,937	48,20,859	48,36,745
Laboratory Equipments	31,31,810	35,287	—	31,67,097	18,16,485	1,64,319	—	19,80,804	11,86,293	13,15,325
Vehicles	1,68,42,002	2,35,90,918	61,51,558	3,42,81,362	59,24,295	24,53,407	39,20,097	44,57,605	2,98,23,757	1,09,17,707
Technical Know How	3,09,74,285	—	—	3,09,74,285	1,60,95,105	16,34,914	—	1,77,30,019	1,32,44,266	1,48,79,180
TOTAL	88,65,18,087	3,78,66,638	66,31,926	91,77,52,799	42,97,91,651	4,09,44,453	42,16,437	46,65,19,667	45,12,33,132	45,67,26,436
Capital Work in Progress										2,10,418
TOTAL :	88,65,18,087	3,78,66,638	66,31,926	91,77,52,799	42,97,91,651	4,09,44,453	42,16,437	46,65,19,667	45,12,33,132	45,69,36,854
PREVIOUS YEAR :	85,32,87,967	3,44,10,167	11,80,047	88,65,18,087	39,13,29,641	3,88,45,314	3,83,304	42,97,91,651	45,69,36,854	46,20,98,626

* Amortisation of Leasehold premium over period of lease




INDIA GELATINE & CHEMICALS LTD.

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SCHEDULE - 6		
INVESTMENTS :		
(A) LONG TERM		
NON TRADE : AT COST		
QUOTED :		
50000	(50000) Equity Shares of Tamilnadu Jaibharat Mills Ltd. each of Rs.10/-	5,00,000
100	(100) Equity Shares of Autolite (India) Ltd. each of Rs.10/-	9,000
1016874	(Nil) Reliance Interval Fund Quarterly Plan 1 Industrial Growth Plant Each of Rs.10/-	1,11,24,400
UNQUOTED :		
9700	(9700) Equity Shares of M/s.K.V. Cotton Gin & Pre. Co.Pvt. Ltd. each of Rs.1000/- fully paid-up	97,00,000
6000	(6000) Equity Shares of Supreme Yarn Spinners Ltd. each of Rs.10/- fully paid-up	60,000
6000	(6000) Equity Shares of Shri Vigneswara Cotton Mills Ltd. each of Rs.10/- fully paid-up	60,000
5500000	(5500000) Equity Shares of SCIL Capital India Ltd. each of Rs.10/- fully paid-up	5,52,84,700
10000	(10000) Equity Shares of SKM Egg. Products Export (I) Ltd. each of Rs.10/- each	1,00,000
15000	(15000) Units of India Growth Fund each of Rs.1000/- Rs. 920/- (Previous Year Rs. 900/-) Paid up per unit	1,38,00,000
100	(100) Units of Kotak India Growth Fund-II - Each of Rs. 1,00,000/- Rs. 13,000/- (Previous year Rs. 3,000/-) Paid up per unit	5,00,000
	National Saving Certificates	6,000
25	(25) '7% NCD of K.S. Reality Construction Pvt. Ltd.	2,52,63,750
	<u>11,74,07,850</u>	<u>10,49,83,450</u>
(B) CURRENT		
NON TRADE : AT COST		
QUOTED :		
1934963	(Nil) Units of Reliance Liquid Fund Each of Rs.10/-	4,15,00,000
Nil	(1000000) Units of Reliance Fixed Horizon Fund III Each of Rs.10/-	—
250000	(250000) Units of Franklin India Smaller Companies Fund Each of Rs.10/-	25,00,000
2903002	(Nil)Reliance Medium Term Fund (Growth)Each Of Rs10/-	5,00,00,000
	<u>9,40,00,000</u>	<u>1,25,00,000</u>
	<u>21,14,07,850</u>	<u>11,74,83,450</u>
AGGREGATE VALUE OF		
1	Quoted Investments - Cost	10,56,33,400
	Market Value	10,94,91,308
2	Unquoted Investment- Cost	10,57,74,450
SCHEDULE - 7		
INVENTORIES :		
(As taken, valued and certified by the Management)		
I	Stores, Spares, Packing Materials and Fuel	1,67,47,045
II	Loose Tools	2,68,547
III	Raw Materials	5,11,44,543
IV	Finished Goods	9,81,70,134
V	Work-in-Process	3,57,99,660
	<u>20,21,29,929</u>	<u>17,58,69,240</u>



	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Over Six Months	92,876	51,025
Others	3,31,47,271	7,37,07,767
	<u>3,32,40,147</u>	<u>7,37,58,792</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on Hand	1,92,401	1,45,606
Balance with Scheduled Banks in Current Account	1,30,20,749	1,48,06,680
Balance with Scheduled Banks in Margin Money	46,90,000	12,25,000
Balance with Scheduled Banks in Fixed Deposit	2,35,00,000	1,37,00,000
	<u>4,14,03,150</u>	<u>2,98,77,286</u>
SCHEDULE - 10		
LOANS AND ADVANCES		
Advances Recoverable in Cash or Kind * (Unsecured, Considered Good)	11,11,34,926	12,87,75,248
Sundry Deposits	59,45,130	59,45,130
Advance Income Tax including Tax Deducted At Source	10,47,96,803	5,27,27,100
Balance with Excise Dept. Including Cenvat Credit Receivable	1,29,79,997	1,82,91,149
VAT Credit - Receivable	88,85,163	30,19,512
* (1) Maximum Balance outstanding from officers of the company during the year Rs. 2,97,620/- (Prev. Year Rs. 4,51,000/-)		
(2) includes Loan to Associate company and to Enterprise having common key Management Personnel and/or their relatives of Rs. 7,05,00,000/- (Prev. Year Rs. 8,50,00,000)		
	<u>24,37,42,019</u>	<u>20,87,58,139</u>
SCHEDULE - 11		
CURRENT LIABILITIES :		
Sundry Creditors	3,18,35,273	2,25,26,850
Advances from Customers	65,01,849	32,60,129
Other Liabilities	72,96,136	8,72,618
Investor Education & Protections Fund		
- Unclaimed Dividend (Not due for deposit)	3,84,480	2,45,268
Interest Accrued but Not Due	—	2,38,564
	<u>4,60,17,738</u>	<u>2,71,43,429</u>
SCHEDULE - 12		
PROVISIONS :		
For Taxation	10,28,68,703	5,28,38,703
For Retirement & Other employee Benefits	49,40,224	57,30,384
For Proposed Dividend	1,88,00,000	65,80,000
For Corporate dividend Tax	31,95,060	11,18,271
	<u>12,98,03,987</u>	<u>6,62,67,358</u>

**INDIA GELATINE & CHEMICALS LTD.**

	2008-2009	2007-2008
	Rs.	Rs.
SCHEDULE - 13		
OTHER INCOME :		
Dividend	12,200	13,87,200
Export Incentives	1,41,01,159	1,26,59,418
Interest (T.D.S. Rs.31,57,511/- (Previous Year Rs.34,10,553/-)	1,59,47,712	1,50,71,459
Miscellaneous Income	43,45,929	34,68,551
Central Excise refund of earlier year	—	1,57,05,791
Profit on Sale of Investments	54,77,714	38,96,635
	<u>3,98,84,714</u>	<u>5,21,89,054</u>
SCHEDULE - 14		
Increase/(Decrease) in Inventories		
Closing Stock		
Finished	9,81,70,134	11,17,01,832
Work in Process	3,57,99,660	3,80,31,981
	<u>13,39,69,794</u>	<u>14,97,33,813</u>
Less :		
Opening Stock		
Finished	11,17,01,832	8,70,15,858
Work in Process	3,80,31,981	3,97,10,090
	<u>14,97,33,813</u>	<u>12,67,25,948</u>
Increase/(Decrease)	<u>(1,57,64,019)</u>	<u>2,30,07,865</u>
SCHEDULE - 15		
CONSUMPTION OF RAW MATERIALS :		
Opening Stock	1,00,38,036	1,95,88,465
Add : Purchases during the year	35,22,06,201	28,39,61,133
	<u>36,22,44,237</u>	<u>30,35,49,598</u>
Less : Closing Stock		
	<u>5,11,44,543</u>	<u>1,00,38,036</u>
	<u>31,10,99,694</u>	<u>29,35,11,562</u>



	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 16				
MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES :				
Payment to and for Employees :				
Salary, Wages & Bonus	1,78,24,515		1,49,41,729	
Staff Welfare Expenses	5,70,002		4,76,362	
Contribution to Provident Fund	10,78,029		9,94,423	
Contribution to ESI Scheme	1,71,948		4,37,991	
Gratuity - Contribution to LIC Scheme	42,17,595	2,38,62,089	8,39,699	1,76,90,204
Packing Materials Consumed		80,83,434		51,67,225
Stores, Spares & Tools Consumed		2,57,39,504		2,29,91,704
Power & Fuel		10,89,48,415		11,60,62,543
Gas Equip Lease rentals & Man Power supply charges		1,59,27,502		70,56,784
Laboratory Expenses		3,53,734		3,59,369
Labour Charges		1,62,87,581		1,32,92,695
CETP, Water and Effluent Treatment Charges		2,58,54,796		2,49,84,328
Repairs				
Machinery	72,87,160		41,35,157	
Building	96,94,574		13,24,909	
Others	8,74,059	1,78,55,793	6,93,591	61,53,657
Export Expenses		2,06,04,297		1,92,24,837
Freight and Cartage		49,40,138		83,82,109
Insurance		14,93,738		16,10,030
Rent, Rates & Taxes		15,35,887		16,57,344
Postage and Telephone		27,82,710		28,17,207
Stationery & Printing		8,55,919		7,95,842
Advertisement & Sales Promotion Expenses		14,95,647		9,12,512
Commission & Discount on Sales		56,50,136		27,12,632
Directors' Sitting Fees		1,60,000		1,75,000
Donation		9,80,250		2,12,000
Managerial Remuneration		1,14,10,922		63,31,106
Travelling Expenses (Including Directors' Travelling Rs. ₹,04,50,076/- Previous Year (Rs.89,18,408/-)		1,24,90,828		1,10,51,270
Loss on Sale of Fixed Assets		9,59,210		4,46,743
General Expenses		1,20,89,810		1,06,58,711
Sales Tax		25,01,398		21,77,686
		<u>32,28,63,738</u>		<u>28,29,23,538</u>
SCHEDULE - 17				
Interest & Other Financial Charges :				
		Rs.		Rs.
1. On Term Loan		23,64,812		10,78,945
2. On EPC A/c		6,433		9,86,472
3. Other Financial Charges		16,39,616		8,27,356
		<u>40,10,861</u>		<u>28,92,773</u>

**SIGNIFICANT ACCOUNTING POLICIES :****1) Basis of Accounting :**

The financial statements are prepared under the historical cost convention in accordance with the Generally accepted accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 (The Act).

2) Use of Estimates

The presentation of financial statements require estimates and disclosure of contingent liabilities assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit, including incidental expenses related to acquisition and installation and financing costs till the commencement of commercial production and adjustments arising from exchange rate variation relating to borrowings attributable to fixed assets, less accumulated depreciation.

4) Depreciation :

The Company has continued to provide depreciation on straight line method at the revised rates on the original cost of the assets as per circular dt.20.12.93. In respect of other assets for which rates are not revised, the Company has continued to provide depreciation on straight line method as specified in schedule XIV of the Companies Act, 1956.

Leasehold Land is amortized over the period of lease.

5) Inventories :

Items of inventories are valued on the FIFO/Specific Weighted Average Cost and on the basis given below :

- | | | |
|---|---|---|
| a) Stores and Spares, Packing Materials, Fuel & Loose tools | - | At cost |
| b) Raw Materials | - | At cost or net realizable value, whichever is lower |
| c) Work-in-Process | - | At cost or net realizable value, whichever is lower |
| d) Finished Goods | - | At cost or net realizable value, whichever is lower |

Costs of inventories comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

6) Borrowing Costs :

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

7) Investments :

Long Term Investments are carried at cost less provision for permanent diminution, if any, in value of such investments.

8) Employees Retirement Benefits :

Short term employee benefits (which are payable within 12 months after the end of the period in which the employees render service) are measured at cost.

Long term employee benefits (which are payable after the end of 12 months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of Actuarial Valuation.

Contribution to provident fund a defined contribution plan is made in accordance with the statute.

The cost of providing leave encashment and gratuity defined benefit plans are determined using Projected Unit Credit Method on the basis of Actuarial valuation.

9) Impairment of Assets

The company on an Annual basis makes an assessment of any indicator that may lead to impairment of Assets. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount



is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by creating the difference as impairment loss & is charged to Profit & Loss Account.

10) Excise duty and Cenvat Credit :

Excise Duty payable on finished goods is accounted for on clearance of goods. Cenvat credit on Capital goods and Inputs is accounted for on the date of actual receipt of the same, respectively.

11) Foreign Currency Transactions :

(a) Initial recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the date of the transaction.

(b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of the transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences :

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(d) Forward Exchange Contracts not intended for trading :

The premium or discount arising of the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

12) Revenue Recognition :

Income and Expenditure are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers & no effective ownership is retained. However;

- a) Revenue in respect of insurance/other claims etc., is recognized only when it is reasonably certain that the ultimate collection will be made.
- b) Export Incentives in respect of exports made under the Duty Entitlement Pass Book Scheme is being accounted for on transfer.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

13) Segment Accounting :

The Company deals in only one product segment i.e. Chemical Products and hence requirements of AS-17 "Segment Reporting" issued by ICAI are not applicable.

14) Earnings Per Share :

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and include the post tax effect of any extra ordinary item). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15) Taxation :

(a) Direct Taxes :

Tax expense for the year, comprising Current Tax, Deferred Tax and Fringe Benefit Tax is included in determining the net profit for the year.



INDIA GELATINE & CHEMICALS LTD.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(b) Indirect Taxes :

The liabilities are provided or considered as contingent depending upon the merit of each case and/or receiving the actual demand from the department.

16) Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

17) Cash Flow Statement :

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, Investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

18) Provisions and Contingent Liabilities :

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A contingent liability is disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

SCHEDULE – 19

2008-2009

Notes Annexed to and forming part of accounts for the year ended 31st March, 2009.

1. Previous year's figures have been regrouped, re-arranged, re-casted wherever necessary to make them comparable with those of the current year.
2. (a) Deficit of Rs.69.33 Lacs (Previous year surplus of Rs.1.95 Lacs) & Surplus of Rs. 1.58 Lacs (Previous year surplus of Rs.1.11) being the impact of foreign exchange fluctuation has been included in the Turnover and Purchase of Stores & Spares, respectively.
- (b) Term liability incurred in foreign currency for acquisition of Fixed Assets from outside India has been restated at the exchange rate on the date of payment made as required by schedule VI of the Companies Act and the resultant loss amounting to Rs.15.52 Lacs (Previous year Gain Rs.8.43 Lacs) has been adjusted to the actual cost of the Fixed Assets.
3. There are no Micro and Small Enterprise, to whom company owes dues, which are outstanding for more than 45 days as at 31st March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

4. Contingent liabilities :

i)	Bank Guarantees issued	(Rs. In Lacs)
	Customs	37.90
	GSPC	98.88
	Pollution Control Board	7.00
	Quippo Infrastructure Equipment Ltd.	34.73
		<u>178.51</u>
ii)	In respect of claims against the Company not acknowledged as debts	(Rs.lacs)
	Excise Duty	8.08
	Service Tax	5.06
		<u>13.14</u>



5. Operating Lease :

As Lessee : Lease rental of Rs.147.60 lacs (Previous year Rs.66.58 Lacs) charged to revenue for right to use leasehold assets like Gas based Power Generating Equipments & Waste heat recovery equipment. The agreement is executed for a period of 260 weeks with a renewable clause and also provides for termination by lessee giving a prior notice of 90 days.

6(a) Defined Benefit Plan in respect of Gratuity as per Actuarial valuations on 31st March, 2009 :

1. Assumption	As on 31/03/2009
Discount Rate	8.00%
Salary Escalation	4.00%
2. Changes in present value of Obligation	As on 31/03/2009
Present Value of obligation as at beginning of year	1,35,20,818
Interest cost	10,81,665
Current Service Cost	4,95,046
Benefits paid	(61,80,878)
Actuarial (gain)/loss on obligations	1,61,955
Present value of obligations as at end of year	90,78,606
3. Changes in the fair value of plant assets	As on 31/03/2009
Fair value of plan assets at beginning of year	67,79,715
Expected return on plan assets	5,08,580
Contributions	15,05,535
Benefits paid	(61,80,878)
Actuarial Gain/(Loss) on Plan assets	Nil
Fair value of plan assets at the end of year	26,12,952
4. Fair value of plan assets	
Fair value of plan assets at beginning of year	67,79,715
Actual return on plan assets	5,08,580
Contributions	15,05,535
Benefits paid	(61,80,878)
Fair value of plan assets at the end of year	26,12,952
Funded status	(64,65,654)
Excess of actual over estimated return on plan Assets (Actual rate of return = Estimated rate As ARD falls on 31 st March)	Nil
5. Actuarial Gain/Loss recognized	
Actuarial (gain)/loss on obligation	(1,61,955)
Actuarial (gain)/loss for the year – plan assets	Nil
Actuarial (gain)/loss on obligations	1,61,955
Actuarial (gain)/loss recognized in the year	1,61,955
6. The amounts to be recognized in the balance sheet and statements of profit and loss	
Present value of obligations as at the end of year	90,78,606
Fair value of plan assets as at the end of the year	26,12,952
Funded status	(64,65,654)
Net Asset/(Liability) recognized in balance sheet	64,65,654



INDIA GELATINE & CHEMICALS LTD.

7. Expenses Recognized in statement of Profit & Loss	
Current service cost	4,95,046
Interest cost	10,81,665
Expected return on plan assets	(5,08,580)
Net Actuarial (gain)/Loss recognized in the year	1,61,955
Expenses recognized in statement of Profit & Loss	12,30,086

6(b) In respect of liability of leave encashment upto 31.03.2009 the company has obtained actuarial valuation and has provided for Rs.12,98,334/- in the books.

7. In respect of Income Tax Assessments of various years additions of Rs.12.57 Crores have been made against which the company has preferred appeals before the appropriate authorities. Practically the entire demand raised has been paid by the Company. Tax of Rs.3.84 Crores paid in respect of the said disputed addition for capital compensation credited to Capital Reserve, has been debited to the same account on matching concept basis. The company has been legally advised that it has a good case in appeal and hence no provision thereof has been made in the accounts.

8. In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI, the management has reviewed its fixed Assets and arrived at the conclusion that Impairment loss which is difference between the carrying amount and recoverable value of Assets, was not material and hence no provision is required to be made.

9. The Sales Tax Assessments of the company are completed upto accounting year 2006-2007 and no significant demand is raised on the company.

10. Earnings per share	Year Ended	Year Ended
	31.03.2009	31.03.2008
Net profit attributable to Shareholders (Rs. in lacs)	845.30	198.51
Weighted average number of equity shares	94,00,000	94,00,000
Basic earnings per share of Rs.10/- each (in Rs)	8.992	2.112

The company does not have any outstanding dilutive potential equity shares, Consequently the basic and diluted earning per share of the company remain the same.

11. Disclosure in respect of related parties pursuant to Accounting Standard 18;

A. List of Related parties :

- 1) Parties where Control Exists : Nil
- 2) Other parties with whom company entered into transactions during the year
 - i) Joint Ventures : —
 - ii) Associates
 - 1) SCIL Capital India Ltd.
 - 2) K.V..Cotton Ginning & Pressing Co. Pvt. Ltd.

3) Key Management Personnel and Enterprises having common Key Management Personnel or their Relatives

Key Management Personnel :

- 1) Mr. N.R. Mirani - Managing Director (up to 10.09.2008)
- 2) Mr. V.C. Mirani - Executive Director

Enterprises having common Key Management Personnel and/or their Relatives:

- 1) KVS Software Pvt. Ltd.
- 2) Khimji Visram & Sons (Guj) Pvt. Ltd.
- 3) Olive Finance & Investment P. Ltd.
- 4) Khimji Visram & Sons (Partnership Firm)
- 5) Khimji Visram & Sons (Commission Dept) (Partnership Firm)
- 6) Khimji Visram & Company. (Partnership Firm)
- 7) S.E. International

Relatives of Key Management Personnel :

- 1) Mr. Kishorsinh R. Mirani, Brother of Late. N.R. Mirani
- 2) Mr. Nayan C. Mirani, Brother of Mr. V.C. Mirani



- B. During the year following transactions were carried out with related parties in the ordinary course of business and at Arms Length.

(Rs. in Lacs)

Nature of Trans.	Associates	Key Mag. Personnel	Enterprises/Relatives of Key Management Personnel
1. Managerial Remuneration	—	114.11	—
2. Loans Given	—	—	805.00
3. Interest Received	—	—	50.76
4. Reimbursement of Expenses	—	—	3.36
5. Rendering of Services	—	—	1.38

- C. Outstanding balances as on 31.03.2009

(Rs. in Lacs)

Nature of Trans.	Associates	Key Mag. Personnel	Enterprises/Relatives of Key Management Personnel
1. Loans given	—	—	705.00
	—	—	(850.00)
2. Investment in Shares	649.85 (649.85)	—	—

Figures of previous years are shown in brackets.

12. General Expenses Include

Auditor's Remuneration (Including Service Tax)

	2008-2009 Rs.	2007-2008 Rs.
a) Audit Fees	1,54,420	1,57,304
b) For Tax Audit	66,180	67,416
c) Expenses	30,500	25,320
	<u>2,51,100</u>	<u>2,50,040</u>

- 13 a) Managerial Remuneration :

Salary	34,40,000	42,00,000
Commission	44,61,783	NIL
Other Perquisites	8,85,364	10,71,774
	<u>87,87,147</u>	<u>52,71,774</u>
Exempted Perquisites	26,23,775	10,59,332
	<u>1,14,10,922</u>	<u>63,31,106</u>

- 13 b) Computation of Net Profit in accordance with Sec.198 & 349 of the Companies Act, 1956, for the year ended 31st March, 2009

Profit before Taxation as per Profit & Loss Account	12,78,04,182	2,12,03,907
Add: Directors' Remuneration	1,14,10,922	63,31,106
Directors' Sitting Fees	1,60,000	1,75,000
Loss on Sale of Assets as per Books of Account	9,59,210	4,46,743
	<u>14,03,34,314</u>	<u>2,81,56,756</u>
Less : Profit on sale of investments	54,77,714	38,96,635
Profit u/s 198 & 349 of the Act	13,48,56,600	2,42,60,121
Maximum Remuneration payable to working Directors @ 10% of the Profit	1,34,85,660	24,26,012
Actual Managerial Remuneration Paid as permitted in schedule XIII	1,14,10,922	63,31,106



INDIA GELATINE & CHEMICALS LTD.

The above remuneration includes payments of Rs.35,64,424/- towards Salary, Perquisites & Commission made to late N.R. Mirani upto 10.09.08 on prorata basis. The company has also incurred expenses of Rs.7,54,515/- towards medical treatment of late N.R. Mirani, Managing Director of the company in addition to the limits prescribed in Schedule XIII, which has been shown under the head "Advances".

The Company has applied to the Central Government for its approval and final treatment will be given thereafter.

14. Information pursuant to provisions of paragraphs 3 and 4 to 4D of Part II, Schedule VI of the Companies Act, 1956

a) Information for each class of Goods manufactured :

Product	Unit	Licensed Capacity	Installed Capacity per annum as at		Actual Production in	
			31.03.2009	31.03.2008	2008-2009	2007-2008
Ossein	M.T.	N.A.	7800	7800	5281.100	4625.800
Di-Calcium Phosphate	M.T.	N.A.	16500	16500	9816.000	7942.150
Gelatine	M.T.	N.A.	2000	2000	1356.075	1211.250

* Includes used for captive consumption 2845.900 Mts. (Previous year 2528.800 Mts)

* This being a technical matter, as certified by the management, auditors have accepted the same.

b) Opening and Closing Stock of Goods manufactured

Product	Unit	OPENING STOCK				CLOSING STOCK			
		2008-2009		2007-2008		2008-2009		2007-2008	
		Quantity	Rs.	Quantity	Rs.	Quantity	Rs.	Quantity	Rs.
Ossein	M.T.	12.040	7,95,952	8.040	5,54,953	108.240	72,84,552	12.040	7,95,952
Di-Calcium Phosphate	M.T.	1128.350	1,79,33,995	0.100	1,287	401.200	61,29,132	1128.350	1,79,33,995
Gelatine	M.T.	677.718	9,29,71,885	646.873	8,64,59,618	634.060	8,47,56,450	677.718	9,29,71,885
Total			11,17,01,832		8,70,15,858		9,81,70,134		11,17,01,832

c) Consumption of Raw Materials.

Product	Unit	2008-2009		2007-2008	
		Quantity	Rs.	Quantity	Rs.
Crushed bone	M.T.	21869.725	27,54,18,463	19952.880	25,94,56,961
Lime	M.T.	4675.605	1,71,65,678	4146.145	1,32,95,972
Hydrochloric Acid	M.T.	22497.940	1,85,15,553	20246.720	2,07,58,629
Total			31,10,99,694		29,35,11,562

d) Sales :

Product	Unit	2008-2009		2007-2008	
		Quantity	Rs.	Quantity	Rs.
Ossein	M.T.	2339.000	22,29,75,464	2093.000	17,66,85,653
Di-Calcium Phosphate	M.T.	10543.150	24,16,75,214	6813.900	14,53,87,053
Gelatine	M.T.	1399.733	32,59,99,026	1180.405	25,24,37,557
Total			79,06,49,704		57,45,10,263



e) Value of Imports calculated on C.I.F. Basis in respect of :

	2008-2009	2007-2008
	Rs.	Rs.
i) Components - Spare parts	10,06,232	16,61,294
ii) Capital Goods	53,92,613	43,92,805

f) Expenditure of Foreign Currency on account of :

a) Revenue Expenditure		
i) Travelling	61,81,792	67,39,463
ii) Subscription	5,44,692	4,36,959
iii) Interest	2,79,689	9,55,081
iv) Commission	10,71,814	9,99,224
v) Machinery Repairs	—	—
b) Repayment of Term Loan	1,15,76,875	1,00,21,563

	Amount		% of Total Consumption	
	2008-2009	2007-2008	2008-2009	2007-2008
g) i) Value of Imported spare parts and Components consumed during the year	14,03,770	23,26,224	5.45	10.12
ii) Value of Indigenous Spare parts and Components Consumed during the year	2,43,35,734	2,06,65,480	94.55	89.88
Total	2,57,39,504	2,29,91,704	100.00	100.00
h) i) Value of Imported Raw Materials consumed during the year	Nil	Nil	Nil	Nil
ii) Value of Indigenous Raw Materials Consumed during the year	31,10,99,694	29,35,11,562	100.00	100.00
Total	31,10,99,694	29,35,11,562	100.00	100.00

	2008-2009	2007-2008
	Rs.	Rs.
i) Earning in Foreign Exchange Export of goods (FOB)	46,78,76,113	34,11,50,746
ii) The amount remitted during the year in foreign Currency Payment of Dividend :		
Dividend Paid	21,11,200	NIL
No. of non-resident shareholders	2	—
Year to which it relate	2007-2008	—

As per our attached report of even date

Signatures to Schedules 1 to 19

For MAHENDRA N. SHAH & CO.
Chartered Accountants

Nalin K. Vissanji
Chairman

Viren C. Mirani
Executive Director

Chirag M. Shah
Partner
M. No.: F-45706

K. P. Vagadia
Company Secretary

K. C. Dalal }
M. D. Vora } Directors

Place : Ahmedabad
Date : 01-08-2009

Place : Mumbai
Date : 31-07-2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

2	2	6	0
---	---	---	---

 State Code

0	4
---	---

 (Refer Code List)

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

II. Capital Raised During the year (Amount in Rs. Thousand)

Public Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Rights Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Bonus Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Private Placement

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

III. Position of Mobilisation and Development of Funds (Amt. In Rs. Thousand)

Total Liabilities

-	-	1	0	1	4	0	4	0
---	---	---	---	---	---	---	---	---

Total Assets

-	-	1	0	1	4	0	4	0
---	---	---	---	---	---	---	---	---

Sources of Funds
Paid-up Capital

-	-	-	-	9	4	0	0	0
---	---	---	---	---	---	---	---	---

Reserve & Surplus

-	-	-	8	1	3	3	1	5
---	---	---	---	---	---	---	---	---

Secured Loans

-	-	-	-	1	5	0	2	6
---	---	---	---	---	---	---	---	---

Unsecured Loans

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Deferred Tax Liabilities (Net)

-	-	-	-	9	1	6	9	9
---	---	---	---	---	---	---	---	---

Application of funds
Net Fixed Assets

-	-	-	4	5	1	2	3	3
---	---	---	---	---	---	---	---	---

Investments

-	-	-	2	1	1	4	0	8
---	---	---	---	---	---	---	---	---

Net current Assets

-	-	-	3	5	1	3	9	9
---	---	---	---	---	---	---	---	---

Misc. Expenditure

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Accumulated Losses

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---



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

Turnover

- - - 8 0 6 7 2 3

Total Expenditure

- - - 6 7 8 9 1 9

Profit/ Loss before Tax

+ 1 2 7 8 0 4

Profit/ Loss After Tax

+ - 8 4 5 3 0

(Please tick appropriate box + for Profit, - for Loss)

Earning per Share in Rs.

8 9 9

Dividend rate %

2 0

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No. (ITC Code)

0 5 0 6 1 0

Product Description

INDIAN DRIED OSSEIN

Item Code No. (ITC Code)

2 3 0 9 9 0

Product Description

DI-CALCIUM PHOSPHATE

Item Code No. (ITC Code)

3 5 0 3 0 0

Product Description

GELATINE EDIBLE



INDIA GELATINE & CHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in lacs)

	2008-2009		2007-2008	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit & Loss A/c		1,278.04		225.95
Adjustments :				
Depreciation	409.44		388.45	
Loss on sale of Fixed Assets	9.59		4.47	
Interest/dividend Income	(159.60)		(164.59)	
Interest Paid	40.11		28.93	
Net Gain on Sale of Investments	(54.78)	244.76	(38.97)	218.29
Operating Profit before working capital		1,522.80		444.24
Adjusted for :				
i) Trade & other Receivables	417.29		(226.10)	
ii) Stock	262.61		(127.99)	
iii) Trade Payable	(183.23)	496.67	84.84	(269.25)
Cash generated from operations		2,019.47		174.99
Interest Paid	(42.49)		(32.02)	
Direct Tax Paid	(520.70)	(563.19)	(102.02)	(134.04)
		1,456.28		40.95
Foreign Exchange effects		-		-
Net Cash from Operating Activities		1,456.28		40.95
B) Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(392.08)		(353.23)	
Foreign exchange effect on fixed assets	15.52		8.43	
Sale of Fixed Assets	14.56		3.50	
Purchase of Investments	(1,039.24)		(317.64)	
Sale of Investments	154.78		238.97	
Interest Income	127.67		127.74	
Dividend Income	0.12		13.87	
Net Cash used in Investing Activities		(1,118.67)		(278.36)
C) Cash Flow from Financing Activities				
Borrowing of Funds	166.93		500.00	
Repayment of borrowings	(312.30)		(449.01)	
Proceeds from Issue of shares	-		-	
Foreign Exchange Effects on L.T. Borrowings	-		-	
Dividend Paid including Distribution Tax	(76.98)		-	
Net Cash from financing Activities		(222.35)		50.99
Net Increase in cash & cash equivalents (a+b+c)		115.26		(186.42)
Opening Balance of Cash & Cash equivalents		298.77		485.19
Closing Balance of Cash & Cash equivalents		414.03		298.77
Net Increase/(Decrease) in cash & cash equivalents		115.26		(186.42)

Nalin K. Vissanji

Chairman

K. P. Vagadia

Company Secretary

Viren C. Mirani

Executive Director

K. C. Dalal

M. D. Vora } Directors

Place : Mumbai

Date : 31-07-2009

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of India Gelatine & Chemicals Ltd. For the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance sheet of the Company covered by our report dt.01.08.2009 to the members of the Company.

For Mahendra N. Shah & Co.,
Chartered Accountants

Chirag M. Shah

Partner

M. No.45706

Place : Ahmedabad

Dated : 01-08-2009

Tear Here

INDIA GELATINE & CHEMICALS LIMITED

Regd. Office : 703/704 'SHILP' 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

PROXY

I/We _____

of _____

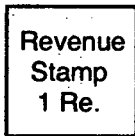
being a Member / Members of India Gelatine & Chemicals Limited

hereby appoint _____ of _____

(or failing him) _____ of _____

(or failing him) _____ of _____

_____ as my / our proxy to attend and vote
for me/us and on my/our behalf at the Thirty Seventh Annual General
Meeting of the Company to be held on Friday, 25th September, 2009
and at any adjournment thereof. AS WITNESS are set my hand / our
hands this _____ day of _____ 2009.



Signed by the _____

Regd. Folio No. _____

Notes: The proxy must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding Meeting.
The Proxy need not be a member of the Company.

INDIA GELATINE & CHEMICALS LIMITED

Regd. Office : 703/704 'SHILP' 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the
entrance.

I hereby record my presence at Thirty Seventh Annual
General Meeting of the Company to be held at GICEA, Nirman
Bhavan, (Gajjar Hall), Near Law Garden, Ahmedabad - 380 006. on
Friday 25th September 2009.

Name of the Shareholder/Proxy _____

Reg. Folio No.: _____ Signature of the Shareholder / Proxy.

Note : Only Shareholders of the Company or their proxies will be
allowed to attend the Meeting.

Tear Here

BOOK - POST

If Undelivered please return to :

INDIA GELATINE & CHEMICALS LIMITED

Regd. Off. : 703/704, "Shilp", 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

MEGHA - 6634 8747