

C. J. Gelatine Products Limited

(ISO 9001 : 2000 Certified)

31st ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Sachiv Sahni

DIRECTORS

Ascharajlal Sahni

Hemant S. Sethi

Charanjit Singh Sodhi

Surinder S. Sahni

AUDITORS

Trivedi & Reshamwala Associates

Chartered Accountants

Mumbai.

BANKERS

IDBI Bank Ltd.

REGISTERED OFFICE

Tokersi Jivraj Wadi,

Acharya Donde Marg,

Sewree(w), Mumbai - 400 015.

FACTORY

21, New Industrial Area,

Mandideep - 462 046.

Dist. : Raisen (M.P.)

NOTICE:

Notice is hereby given that the Thirty First Annual General Meeting of C.J.Gelatine Products Limited will be held at Mancherji Joshi Hall, Athoman Madrassa Annex, 1st Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp.Palamkotte Hall), Dadar (E), Mumbai:400 014 on Saturday the 17th September,2011 at 12.30 p.m to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Report of the Auditors and Directors thereon.
2. To appoint Directors in place of those who retire by rotation.
3. To appoint Auditors and fix their remuneration.

Regd. Office:

Tokersi Jivraj Wadi,
Acharya Donde Marg,
Sewree (w), Mumbai: 400 015.
Dated : 27/07/2011

By Order of the Board of Directors

Sachiv Sahni
Chairman & Managing Director

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.

2. Corporate Members intending to send their Authorised Representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their duly completed attendance slip along with copy of the Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
6. Members are requested to immediately notify the Company change in their address, if any.
7. The Register of Members and Share Transfer Books of the company will remain closed from Saturday, the 10th September, 2011 to the Saturday the 17th September, 2011 (both days inclusive).
8. Under Section 109A of the Companies Act, 1956 a Shareholder is entitled to make nomination in respect of share(s) held by him/her in physical form. Shareholders desirous of making nomination may send such request in Form 2B (which will be made available on request) to the Registrar & Share Transfer Agents M/s. Adroit Corporate Services Pvt. Ltd.

9. Re-appointment of Directors:

At the Annual General Meeting Shri Sachiv Sahni and Shri Charanjit Singh Sodhi retire by rotation and being eligible offer themselves for re-appointment. As per the provisions of Clause 49 of the Listing Agreement with the Stock Exchange, the information or details pertaining to these Directors are furnished in the statement given below:

C. J. GELATINE PRODUCTS LIMITED

Details of the Directors seeking appointment/re-appointment in Annual General Meeting convened on 17th September, 2011.

Name of Director	Sachiv Sahni	Charanjit Singh Sodhi
Date of Birth	12/11/1980	22/04/1958
Date of Appointment	29/04/1999	29/06/2002
Qualifications	B.Com.From Mumbai University	Commerce Graduate
Experience in specific Functional Area	Ten Years Business Experience. He has been the MD of the Company from last 5 years.	Twenty years Business Experience.
List of other Company Directorship held	C.Jairam Pvt Ltd	C.Jairam Pvt Ltd
Chairman/Member of the Committee of the Board of the Company	NIL	Chairman of the Audit Committee
Chairman/Member of Committee of the Board of other Companies in which he is a Director.		
a) Audit Committee	NIL	NIL
b) Remuneration Committee	NIL	NIL
c) Compensation Committee	NIL	NIL

DIRECTORS REPORT

To the Members,

Your Directors present herewith their Thirty First Annual Report with the Audited Statement of Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

	2010-11	(Rs.in lakhs) 2009-10
Sales & Other Income	1643.71	1445.37
Profit before Interest, Depreciation and Tax	38.36	22.59
Less: -----		
Interest	17.32	1.41
Depreciation	35.92	20.30
Profit before tax	2.44	2.29
Less:		
Provision for Tax	0.15	7.50
Net Profit / (Loss) after Tax	(2.29)	(05.21)
Balance Brought forward	12.26	17.47
Carried to Balance Sheet	14.55	12.26

TAXATION

Provision for tax for the year has been made as per the Income Tax Act, 1961.

DIVIDEND

Your Directors do not propose any dividend for the financial year ended 31st March, 2011..

INSURANCE

The Directors confirm that the fixed assets and stocks of the Company are adequately insured against fire and allied risks.

AUDITORS' REPORT

The points raised by the Auditors in their report are self explanatory and covered in the notes on the Accounts.

FIXED DEPOSITS

The Company has not accepted any fixed deposit during the year, nor are there any outstanding deposits, which are due for repayment.

LISTING OF SHARES

The equity shares of the Company are listed on the Stock Exchange at Mumbai and the Company has paid Annual Listing Fees for the year 2011-12.

PARTICULARS OF EMPLOYEES

The Company has no employee falling within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended in respect of whom the particulars required to be disclosed.

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

Particulars regarding conservation of Energy, Technology Absorption, Foreign Exchange and Outgo as prescribed under section 217(1)(e) of the Companies Act, 1956 are given in the Annexure to this Report.

DIRECTORS

Your Directors regret to report the sad demise of Shri B.M.Kararia, Director on 16th September, 2010 and place on record the valuable services rendered by Shri B.M.Kararia during his long tenure on the Board of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sachiv Sahni and Shri Charanjit Singh Sodhi, Directors retire by rotation at the forthcoming annual General Meeting and being eligible they have offered themselves for reappointment.

CORPORATE GOVERNANCE

Your Company has complied with the mandatory provisions of clause 49, relating to Corporate Governance, of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance forming part of the Directors' Report and a certificate from the Company's Auditors confirming the Compliance of conditions on Corporate Governance are included in the Annual Report.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with the provisions of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001, a certificate from Company Secretary in Whole Time Practice is annexed to this report regarding Secretarial Compliance.

AUDITORS

M/s Trivedi & Reshamwala Associates, Mumbai retire as Auditors and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956 the board of directors hereby state that:

1. In preparation of the annual accounts, applicable accounting standards have been followed (along with proper explanation relating to material departures) and that there are no material departures.
2. They have selected the accounting policies and applied 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 as at 31st March, 2011 and of the profit of the company for the year ended on that date.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. They have prepared the Annual Accounts on a going concern basis.

INDUSTRIAL RELATIONS

The relationship between the Management and Employees of the Company remained cordial. The Company takes care of their welfare to the best of its ability.

ACKNOWLEDGEMENT

Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Bank(s), Customers, Dealers, Vendors, Promoters, Shareholders, Government Authorities and all other Business Associates during the year under review. The Directors also wish to place on record their deep sense of gratitude for the committed services of employees at all the level.

For and on behalf of the Board

Place : Mumbai

Dated : 27/07/2011.

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT 2010-2011

Particulars required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Every care has been taken to conserve energy in the process of manufacturing or other operations.

B. TECHNOLOGY ABSORPTION

The Company has not set up a separate unit for research and development since its need was not felt.

C. FOREIGN EXCHANGE EARNING AND OUT-GO

During the year under report, the Company has neither earned nor spent any foreign exchange.

FORM - A

Form for disclosure with respect to conservation of energy.

A) POWER AND FUEL CONSUMPTION	<u>2010-11</u>	<u>2009-10</u>
1. Electricity Units(000) kwhs	2797.300	2731.530
Total Amount (Rs.in Lacs)	163.91	136.40
Average cost per unit (Rs.)	5.86	4.99
2. Steam Coal		
Quantity (Tonnes)	3425.395	3599.005
Total Cost (Rs.in Lacs)	129.75	126.98
Average cost per tonne in (Rs.)	3787.88	3528.20
3. Diesel H.S.		
Quantity (000 Litres)	152.025	150.560
Total Amount(Rs.In Lacs)	62.54	55.03
Average cost per litre (Rs.)	41.14	36.55
B) CONSUMPTION PER UNIT OF GELATINE PRODUCTION		
1. Electricity (KWH per Tonne)	3831	6278
2. Coal (Kilo per Tonne)	4691	8272
3. Diesel (Litre per Tonne)	208.20	346.06

SECRETARIAL COMPLIANCE CERTIFICATE

The Members,
C.J.Gelatine Products Limited
C.Jairam Mills Compound,
Tokersi Jivaraj Wadi,
Sewree,
Mumbai 400 015.

I have examined the registers, records, books and papers of M/s. C. J. Gelatine Products Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under, except in case of delay with additional fees.
3. the Company, being public limited company, comments are not required.
4. the Board of Directors duly met four times i.e. on 26/04/2010, 26/07/2010, 08/11/2010 and 07/02/2011 and in respect of each meeting proper notice was given and the proceedings recorded properly in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Registers during the financial year between 11th September, 2010 and 18th September, 2010 (both days inclusive)
6. the Annual General Meeting for the financial year ended on 31st March, 2010 was held on 18th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting(s) was held .
8. the Company has not advanced any loan to its directors or persons or firms or companies referred to in Section 295 of the Act.
9. the Company has not entered into any contract specified in Section 297 of the Act.
10. the Company has made necessary entries in the register maintained under Section 301 of the Act.
11. the Company was not required to obtain approval from the Board of Directors, Members or Central government, as the case may be, since there was no instance falling within the purview of Section 314 of the Act.
12. the Company has not issued any duplicate Share certificates.
13. The Company
 - (i) has delivered all certificates on lodgement of securities for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) was not to deposit any amount in a separate Bank account as no dividend was declared.
 - (iii) was not to post any warrants to members of the Company as no dividend was declared.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund as it does not

have any amount in unpaid account or application money due for refund or matured deposits or matured debentures or interest accrued thereon which have either remained unclaimed or unpaid for a period of seven years.

(v) has duly complied with the requirements of Section 217 of the Act .

14. the Board of Directors of the Company is duly constituted and the appointment of Directors/Additional Directors have been duly made.
15. the appointment of Managing Director/Whole Time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. the Company has not appointed any sole selling agent.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. the Company has not issued any shares, debentures or other securities.
20. the Company has not bought back any shares.
21. the Company has not redeemed any preference shares or debentures.
22. the Company has not kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has not invited/accepted any deposit including any unsecured loan falling within the purview of Section 58A of the Act .
24. the amount borrowed by the Company from directors, member, public financial institutions, banks and others is/are within the borrowing limits of the Company.
25. the Company has made loans and investments or given guarantee or provided securities to other bodies corporate in compliance with the provisions of the Act and made necessary entries in the register kept for that purpose.
26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the company .
28. the Company has not altered the provisions of the Memorandum with respect to the name of the Company .
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company .
30. the Company has not altered its Articles of Association.
31. there was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company for offences under the Act.
32. the Company has not received any money as security from its employees.
33. the Company was not required to make any deduction or contribute towards Provident Fund .

Place : Mumbai
Dated: 27/07/2011

P. K. B. Nambiar
Company Secretary
C.P. 1090

ANNEXURE 'A'Registers maintained by the Company

1. Register of Members under Section 150 of the Companies Act, 1956.
2. Register of Transfers.
3. Register of Directors under Section 303 of the Companies Act, 1956.
4. Register of Directors' Shareholding under Section 307 of the Companies Act, 1956.
5. Register of Directors' Attendance.
6. Register of Contracts.

ANNEXURE 'B'Forms and Returns filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2011.

1. e-Form-66 Secretarial Compliance Certificate for the financial year ended 31st March, 2010 filed on 02/10/2010.
2. e- Form-23AC & 23ACA - Balance Sheet as at 31st March, 2010 etc under Section 220 of the Companies Act, 1956 filed on 17-10-2010.
3. e-Form-20B Annual Return made up to 18-09-2010 under Section 159 of the Companies Act, 1956 filed on 16-12-2010.

Place: Mumbai
Dated: 27/07/2011

P.K.B.NAMBIAR
Company Secretary
C.P.1090

CORPORATE GOVERNANCE REPORT**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance ensures fairness, transparency and integrity of the management which provides a frame work within which stakeholders can pursue the objectives of the organization effectively. Good Corporate Governance practices encompass the organizational culture and lay the foundation for enhanced corporate excellence. Your Company is committed to achieve and maintain higher standards of Corporate Governance on an ongoing basis and therefore operates within accepted standards of propriety, fair play and justice, which are fundamental to the Company.

The Company believes in good corporate governance, transparency and ethical conduct in all its activities aimed at strengthening the confidence among shareholders, customers, employees and other stake holders. Your Company has always been conscious of ensuring transparency, accountability and responsibility while dealing with its employees, stakeholders, and the customers

The following report on Corporate Governance has been provided pursuant to clause 49 of the Listing agreement :

2. BOARD OF DIRECTORS**A) Composition of Board:**

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors who have in depth knowledge of the business and industry. The composition of the Board of Directors of the Company is in consonance with Clause 49 of the listing agreement with the Stock Exchange.

As at 31st March, 2011 the Company has Five Directors on its Board with an Executive Chairman. Of the Five Directors Three are Non-executive and Two are independent Directors .

B) Non executive Directors' compensation and Disclosures:

Non-Executive Directors are not paid any remuneration except sitting fees. The details of sitting fees paid to them are separately mentioned in this report.

C) Other Provisions as to Board and Committees:

No Director is a member in more than ten Committees and Chairman in more than five Committees, across all the Companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2011 have been made by the Directors.

Attendance at Board Meetings

During the year under report four meetings of the Board were held on the following dates with a gap not exceeding four months between two meetings .

(i) 26th April, 2010, (ii) 26th July, 2010, (iii) 08th November, 2010 and (iv) 07th February, 2011.

Sr. No.	Name	Category	Attendance at Board Meetings		Directorships in other public Companies Chairman / Member	Membership / Chairmanship of Committees in other Public Companies		Attendance at A.G.M. held on 18th September, 2010
			Held	Attended		Chairman	Member	
1.	Sachiv Sahni	Managing Director	4	4	Nil	N. A.	N. A.	Present
2.	A. L. Sahni	Whole Time Director	4	2	Nil	N. A.	N. A.	Present
3.	Surinder Sahni	Non Executive Director	4	4	Nil	N. A.	N. A.	Present
4.	B.M.Kararia	Independent Non Executive Director	4	2	Nil	N. A.	N. A.	Absent
5.	Charanjit Singh Sodhi	Independent Non Executive Director	4	3	Nil	N. A.	N. A.	Absent
6.	Hemant Sethi	Independent Non Executive Director	4	Nil	Nil	N. A.	N. A.	Absent

Committee of Directors includes Audit Committee and Share Transfer Committee. Independent Director means a Director defined as such under clause 49 of the listing agreement.

Details of Remuneration paid to Executive and Non-executive Directors for the year ended March 31, 2011 are given below:

a) Non- executive Directors:

Sr.No.	Name of Director	Sitting Fees paid (Rs.)	No. of shares held (Face Value Rs.10/- each)
*1.	B.M.Kararia	22500	498
*2.	Hemant Sethi	7500	Nil
*3.	Charanjit Singh Sodhi	15000	Nil
4.	Surinder Sahni	22500	Nil

*Independent Directors

b) Executive Directors:

(Amount in Rupees)

Sr.No.	Name of Director	Remuneration
1.	A.L.Sahni	NIL
2.	Sachiv Sahni	NIL

D) CODE OF CONDUCT:

The Company has laid down a code of conduct for the Directors and Senior Management personnel of the Company. The Code of Conduct has been posted on the Company's website : www.cjgelatineproducts.org. The members of the Board and Senior Management Personnel have affirmed compliance to the said Code of Conduct. A declaration to this effect, duly signed by the Managing Director, is provided as Annexure I to this Report.

3. COMMITTEES OF THE BOARD:

The company has two Committees of the Board of Directors viz.

(i) Audit Committee**(ii) Share Transfer & investors Relation Committee**

All decisions pertaining to the constitution of Committees, appointment of members and fixing the terms of reference for committee members are taken by the Board of Directors. Details of the role and composition of these committees, including the number of meetings held during the year and the attendance are provided below:-

(i) Audit Committee:-

The Audit Committee of the Company is constituted in accordance with Clause 49 of the Listing Agreement with the Stock Exchange.

The terms of reference of the Audit Committee are broadly 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 them.
4. Reviewing, with the 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 the exercise of judgment 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 the draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, and 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. Discussion with internal auditors any significant findings and follow up there on.
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. Discussion 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. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is assigned to the Audit Committee.
14. Such other powers & duties as may be required to be included in terms of Listing Agreement amended from time to time.

The Audit Committee invites such of the Directors or executives as it considers appropriate to be present at the meeting.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	SHRI B.M.KARARIA	4	2
2.	SHRI HEMANT SETHI	4	3
3.	SHRI CHARANJIT SINGH SODHI	4	3

The Committee comprises of Shri Charanjit Singh Sodhi, Shri Hemant Sethi, and Shri Charanjit Singh Sodhi is the Chairman of the Committee.

The members of the Audit Committee are financially literate and the Chairman possesses expertise in finance and accounting because of his experience in Indian Revenue Service.

The Audit Committee met four times during the year on 26th April, 2010, 26th July, 2010, 08th November, 2010 and 07th February, 2011. The details of number of meetings attended by each member are as mentioned above.

(ii) Share Transfer & Investors Relation Committee

The Share Transfer & Investor Relation Committee comprises of Shri Sachiv Sahni and Shri Surinder Sahni. The Share Transfer & Investor Relations Committee is authorized to consider and approve the physical share transfers, transmission, transposition, issue of duplicate certificates, consolidation, split, renewal of share certificates and to attend investor grievances. The meetings of the Committee were held ten times during the year ended on 31st March, 2011. The details of attendance are as mentioned above:

Sr.No.	Name of Members	No. of meetings held	No of meetings attended
1.	Shri B. M. Kararia	10	05
2.	Shri Sachiv Sahni	10	10
3.	Shri Surinder Sahni	10	05

The Company has appointed M/s. Adroit Corporate Services Pvt. Ltd. as its Share Transfer Agent.

The Committee also deal with the matters relating to redressal of complaints from shareholders relating to share transfers, non receipt of Annual Report, dividend etc. and monitoring thereof.

Name and designation of compliance officer

Mr. Parshuram M. Sagvekar, Secretarial Officer.

Status of Investor complaints

The Company has not received any letters/complaints relating to share transfers, non receipt of Annual Report, dividend etc. from the investors during the year ended 31.03.2011.

4. BOARD PROCEDURE

The Board meetings of the Company are conducted on the basis of the agenda prepared in consultation with the Chairman of the Board. All items are backed by background materials and relevant supporting papers which are circulated in advance.

Information Supplied to the Board:

The Board of Directors has complete access to the information within the Company, which ,inter alia , includes:

- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

5. (a) General Body Meetings:

Date, Time and Venue of Current Annual General Meeting :

Saturday, the 17th September, 2011 at 12.30 P.M.

Mancherji E Joshi Hall, Athornan Madressa Annexe,

651-52, Firdoshi Road (Opp. Palamkote Hall),

Parsi Colony , Dadar, Mumbai: 400 014.

Location and time where last three Annual General Meetings were held:

Year	Date	Time	Location
2008	27/09/2008	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 st Floor, 651-52, Firdoshi Road, (Opp. Palamkote Hall),Parsi Colony, Dadar (E), Mumbai:400014.
2009	26/09/2009	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madrassa Annexe, 1 st Floor, 651-52, Firdoshi Road, (Opp. Palamkote Hall), Parsi Colony, Dadar (E), Mumbai:400014.
2010	18/09/2010	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 st Floor 651 – 52, Firdoshi Road, (Opp. Palamkote Hall), Parsi Colony, Dadar (E), Mumbai:400 014.

(b) Resolutions through Postal Ballot:

No resolution was put through Postal Ballot during the year.

6. DISCLOSURES

a) Related Party Transactions

Transactions with the related parties are disclosed in Note 8 of Schedule "Q" forming part of the Accounts in terms of Accounting standard AS-18. However, these transactions are not likely to have any potential conflict with the interest of the Company. The Audit Committee has reviewed these transactions as required under clause 49 of the Listing Agreement.

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 to the extent applicable.

c) Disclosure of Risk management

Your Company is well aware of risks associated with its business operations. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk mitigation measures and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

d) Management Discussion & Analysis:

Management Discussion & Analysis Report forms part of Annual Report.

e) Disclosure regarding appointment or re-appointment of Directors:

The detailed profiles of Directors retiring by rotation are provided in the Annexure to the Notice of the Annual General Meeting.

7. CEO / CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO /CFO Certification for the financial year ended 31st March, 2011.

8. COMPLIANCE BY THE COMPANY

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

9. MEANS OF COMMUNICATION

- a) The quarterly and annual financial results are usually published in The Free Press Journal and Nav Shakti.
- b) The Company has its own website viz. www.cjgelatineproducts.org and the financial results and quarterly shareholding pattern along with other relevant information useful to the investors are uploaded on the website regularly.
- c) At present half yearly report on accounts is not being sent to each household of the shareholders.
- d) The Management Discussion and Analysis is given separately in this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	: Saturday, the 17th of September, 2011 at 12.30 p.m.
Venue	: Mancherji E Joshi Hall, Athornan Madrassa Annexe, 1 st Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp. Palamkote Hall), Dadar(E), Mumbai - 400 014.
Book Closure	: From Saturday, the 10th of September, 2011 to Saturday, the 17th of September, 2011 (Both days Inclusive)
Dividend	: Nil
Registered Office	: Tokersi Jivraj Wadi, Acharya Donde Marg, Sewri (W), Mumbai:400 015.
Registrar & Share Transfer Agent	: Adroit Corporate Services Pvt. Ltd.
Listing of Stock Exchange	: Mumbai Stock Exchange.
Stock Code	: 507515
ISIN allotted to Equity Shares	: INE 557 D01015
Our Website	: www.cjgelatineproducts.org

Stock Market Data

Monthly high and low prices of Equity Shares of the Company quoted at Stock Exchange, Mumbai during the year 2010-11

Month	High	Low
April, 2010	09.10	07.12
May, 2010	09.39	07.07
June, 2010	08.57	07.25
July, 2010	09.36	07.41
August, 2010	09.26	07.66
September, 2010	10.49	07.53
October, 2010	09.80	08.18
November, 2010	08.92	07.17
December, 2010	08.40	07.20
January, 2011	08.54	07.86
February, 2011	08.50	07.68
March, 2011	08.47	08.05

Distribution of Shareholding as on 31st March, 2011

No. of Equity Shares Held	No. of share holders	% of Share Holders	No. of Shares Held	Amt. (In Rs.)	% of Share Holding
1 to 500	4358	93.56	546422	5464220.00	11.35
501 to 1000	170	3.65	143115	1431150.00	2.97
1001 to 2000	59	1.27	92623	926230.00	1.92
2001 to 3000	21	0.45	53961	539610.00	1.12
3001 to 4000	8	0.17	27921	279210.00	0.58
4001 to 5000	10	0.22	47340	473400.00	0.98
5001 to 10000	16	0.34	133630	1336300.00	2.78
10001 & Above	16	0.34	3768288	37682880.00	78.30
Total	4658	100.00	4813300	48133000.00	100.00

Categories of Shareholding as on 31st March, 2011

No. of shares held	FOLIOS	% age	Shares	% age
Resident Individuals	4306	92.44	1356741	28.18
Non Resident Indians (Individuals)	278	5.97	60427	1.25
Corporate Bodies (Promoters)	2	0.04	1857500	38.59
Corporate Bodies	49	1.05	67632	1.41
Banks	2	0.04	300	0.01
Directors (Promoters)	4	0.09	1162400	24.15
Directors	1	0.02	498	0.01
Directors' relatives (Promoters)	11	0.24	305532	6.35
Corporate Body – Broker	5	0.11	2270	0.05
	4658	100.00	4813300	100.00

j) Registrar and Share Transfer Agent:

Adroit Corporate Services Pvt. Ltd.

19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East),
Mumbai: 400 059.

Tel.: 28594060, 28596060

Fax.: 28503748

E-mail : pratapp@adroitcorporate.com

k) Share Transfer System:

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agent within 30 days of the lodgement, if documents are found in order. All requests for dematerialization of shares are processed and the confirmation is given to the respective depository's i.e National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

Dematerialisation of Shares & Liquidity : 75.50% of Equity Shares have been dematerialised
As on 31st March, 2011.

Details on use of Public Funds obtained : No fund has been raised from Public in the last
Three years

Present Location : Mumbai and Mandideep near Bhopal

Investor Correspondence : Adroit Corporate Services Pvt. Ltd.

NON –MANDATORY REQUIREMENTS:-**(a) The Board:**

There is no policy at present to determine the tenure of Independent Directors.

(b) Remuneration Committee:

The Company has not yet constituted a Remuneration Committee as none of the Board Members is paid remuneration.

(c) Shareholder Rights:

At present, the Company is not sending half-yearly financial performance to the each household of shareholders. However, quarterly financial results are published in news papers and are also available on the Company's website.

(d) Audit Qualifications:

There are no qualifications in the Auditors' Report on the financial statements for the financial year ended 31st March, 2011.

(e) Training of Board Members:

As the members of the Board are eminent and experienced professionals, necessity to formulate a policy for their training has not been felt.

(f) Mechanism for evaluating Non-Executive Board Members:

At present, no policy has been framed for evaluation of Non-Executive Directors.

(g) Whistle Blower Policy:

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and suggestions given by the employees and wherever necessary, suitable corrective steps are taken.

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchange, for the year ended 31st March, 2011.

Place: Mumbai
Date: 27/07/2011

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To the Members of C.J.Gelatine Products Limited,

1. We have reviewed the implementation of Corporate Governance procedures by C. J. Gelatine Products Limited (the Company) during the year ended 31st March, 2011 with the relevant records and documents maintained by the Company furnished to us for our review and the report on corporate governance as approved by the Board of Directors.
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. 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.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with in all material respect by the Company.

**For TRIVEDI & RESHAMWALA ASSOCIATES
CHARTERED ACCOUNTANTS**

Place : Mumbai
Dated : 27/07/2011.

**HITESH RESHAMWALA
PROPRIETOR
Membership No. : 41723
F.R.No.111041W,15.03.90**

AUDITORS' REPORT**REPORT OF THE AUDITORS,**

To the Members,

C. J. Gelatine Products Ltd.,

Mumbai.

We have audited the attached Balance Sheet of M/s C. J. Gelatine Products Limited as at 31st March 2011, 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.

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 also 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.

Further to our comments in the Annexure referred to 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 purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes on accounts (Schedule 'Q') along with clause 8(a) and (b) of Annexure to Audit Report 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.
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011,
 - (b) In the case of the Profit and Loss Account, the profit of the Company for the year ended on that date,
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For TRIVEDI & RESHAMWALA ASSOCIATES
CHARTERED ACCOUNTANTS**

**(HITESH RESHAMWALA)
PROPRIETOR**

Membership No.41723

F. R. No. 111041W of 15.03.1990

PLACE : MUMBAI
DATED : 27/07/2011

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011 OF C. J. GELATINE PRODUCTS LTD.

1. (a) The Company is in the process of updating its fixed assets register to show full particulars including quantitative details and situation of fixed assets.
(b) The Company has not carried out physical verification of its fixed assets during the year. However, we have been informed that the physical verification of fixed assets will be carried out once the fixed assets register is updated.
(c) During the year, the Company has not disposed off a substantial part of the fixed assets.
2. (a) The inventories have 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 inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from two parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year ended balance of the aforesaid loans was Rs.18.28 lakhs.
(b) In our opinion, the rate of interest and other terms and conditions on which unsecured short loans have been taken from companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
(c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.
(d) There are no overdue amounts of loans taken from companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of the audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, all transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public which are contrary to the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board relating to the deposits accepted from the public.
7. We have been informed that Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
8. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax and other dues with appropriate authorities. However as explained to us, the Company is yet to pay arrears of Employee's Contribution to ESIC of Rs. 1,11,632/- and also Rs.34,02,006/- outstanding on account of Employer's Contribution to ESIC, Rs.45,12,343/- towards

employer's contribution of Provident Fund and Sales Tax amounting to Rs.64,90,882/-. An amount of Rs.32,787/- is outstanding on account of TDS(contractors). Income Tax of Rs. 6,40,465/- for A. Y. 2010-11 is Outstanding and liable to be paid.

- (b) According to the records of the Company, the dues of Income Tax, Central Excise and Sale Tax which have not been deposited with appropriate authorities on account of disputes and the forum where the disputes are pending are as under:

Sr.No.	Name of Statute	Nature of the dues	Amount (Rs.in lakhs)	Forum where dispute is pending
1.	Central Excise & Custom Act	CENVAT Credit of Service Tax	5.78	Commissioner Appeal, Central Excise,Bhopal.
2.	Central Excise & Customs Act	Excise-duty demands	5.33	Customs,Excise and service Tax Appellate Tribunal, Delhi

9. In our opinion, the accumulated losses of the Company as at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the financial year under audit.
10. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion, the Company is not a chit fund company or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
12. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
13. 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.
14. The Company has not taken any term loan during the year.
15. According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment. i. long-term funds have been used to finance short-term assets.
16. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year, and accordingly, the question of creating security in respect thereof does not arise.
18. The Company has not made any public issues during the year and accordingly, the question of disclosing the end use of money raised by public issue does not arise.
19. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For TRIVEDI & RESHAMWALA ASSOCIATES
CHARTERED ACCOUNTANTS,**

PLACE : MUMBAI
Date : 27/07/2011

**(HITESH RESHAMWALA)
PROPRIETOR
Membership No.41723
F. R. No. 111041W of 15.03.1990**

BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE NO.	AS AT 31.03.2011 RUPEES	AS AT 31.3.2010 RUPEES
SOURCES OF FUNDS:-			
SHARE HOLDERS' FUND			
Share Capital	(A)	48,133,000.00	48,133,000.00
Reserves & Surplus	(B)	101,809,701.28	107,232,618.25
		149,942,701.28	155,365,618.25
LOAN FUNDS			
Secured Loans	(C)	25,000,000.00	—
Unsecured Loans		3,180,760.00	28,180,760.00
		28,180,760.00	6,716,377.00
		6,716,377.00	6,716,377.00
TOTAL		178,123,461.28	162,081,995.25
APPLICATION OF FUNDS:-			
FIXED ASSETS			
Gross Block	(D)	257,105,525.01	254,164,764.00
Less: Depreciation		130,617,173.76	123,137,526.20
Net Block		126,488,351.25	131,027,237.80
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	(E)	64,916,779.72	59,928,650.00
Sundry Debtors	(F)	15,080,635.78	10,435,947.00
Cash & Bank Balances	(G)	22,180,269.83	7,298,996.00
Loans and Advances	(H)	23,060,761.12	23,489,548.84
		125,238,446.45	101,153,141.84
Less: CURRENT LIABILITIES & PROVISIONS	(I)	73,603,336.42	70,098,384.39
NET CURRENT ASSETS		51,635,110.03	31,054,757.45
TOTAL		178,123,461.28	162,081,995.25

Note : Notes as per Schedule "Q" and other Schedules referred to herein form an integral part of these accounts.

As per our Report of even date

For and on behalf of the Board

For TRIVEDI & RESHAMWALA ASSOCIATES
Chartered Accountants

ASCHARJLAL SAHNI

DIRECTOR

(HITESH RESHAMWALA)
PROPRIETOR

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

M. No. 41723
F. R. No. 111041W of 15.03.1990

PLACE : MUMBAI
DATED : 27/07/2011

PLACE : MUMBAI
DATED : 27/07/2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2011

	SCHEDULE NO.	YEAR ENDED 31.3.2011 RUPEES	YEAR ENDED 31.03.2010 RUPEES
<u>INCOME</u>			
Sales & Services	(J)	162,684,940.00	144,311,271.00
Other Income	(K)	1,686,160.25	225,695.00
Increase/ (Decrease) in stocks	(L)	(901,320.80)	(5,929,978.00)
		163,469,779.45	138,606,988.00
<u>EXPENDITURE</u>			
Raw Material Consumed	(M)	83,104,927.55	62,389,069.00
Excise Duty		7,290,982.00	8,369,922.00
Administration, Selling & Other Expenses	(N)	69,238,176.85	65,589,424.00
Interest	(O)	1,732,431.00	140,976.00
Depreciation	(P)	1,859,738.26	1,888,920.00
		163,226,255.66	138,378,311.00
PROFIT / (LOSS) BEFORE TAXATION		243,523.79	228,677.00
Profit/(Loss) before tax			
Provision for taxation(Current Year)	15,000		
Provision for FBT	—		
Provision for taxation(Deferred Tax)	—	15,000.00	750,000.00
Profit / (Loss) after tax		228,523.79	(521,323.00)
Add: Brought from Previous Year		1,225,667.00	1,746,990.00
PROFIT AVAILABLE FOR APPROPRIATION		1,454,190.79	1,225,667.00
APPROPRIATIONS:			
Proposed Equity Dividend		—	—
Tax on Proposed equity Dividend		—	—
Balance carried to Balance Sheet		1,454,190.79	1,225,667.00

Note : Notes as per Schedule Q and other Schedules referred to herein form an integral part of these accounts.

As per our Report of even date

For and on behalf of the Board

For TRIVEDI & RESHAMWALA ASSOCIATES
Chartered Accountants

ASCHARJLAL SAHNI

DIRECTOR

(HITESH RESHAMWALA)
PROPRIETOR

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

M. No. 41723

F. R. No. 111041W of 15.03.1990

PLACE : MUMBAI

PLACE : MUMBAI

DATED : 27/07/2011

DATED : 27/07/2011

	AS AT 31.03.2011 RUPEES	AS AT 31.3.2010 RUPEES
<u>SCHEDULE (A) - SHARE CAPITAL</u>		
Authorised		
70,00,000 equity share of Rs. 10/- each	70,000,000	70,000,000
Issued Subscribed and Paid up		
4813300 (Prev. Year 4813300) equity shares of Rs. 10. each	48,133,000.00	48,133,000.00
(Net of 11100 (Previous Year 11100) equity share of Rs.10/- each forfeited during 1998-99 for non payment of allotment money)		
	48,133,000.00	48,133,000.00
<u>SCHEDULE (B) - RESERVES & SURPLUS</u>		
Share Forfeited Account	58,250.00	58,250.00
Revaluation Reserve		
Revaluation of Fixed Assets	Rs. 156,151,433	
Less : Depreciation on the amt on Revaluation	Rs. 569,94,386	
	99,157,047.00	104,808,487.00
Investment Allowance Reserve	1,045,825.00	1,045,825.00
General Reserve	94,389.25	94,389.25
Profit & loss Account	1,454,190.03	1,225,667.00
	101,809,701.28	107,232,618.25
<u>SCHEDULE (C) - LOANS</u>		
1. Secured:	25,000,000.00	—
2. Unsecured :		
From Director	152,290.00	1,542,290.00
From S. P. Sahni Trust	1,828,470.00	1,828,470.00
Others	1,200,000.00	3,345,617.00
	3,180,760.00	6,716,377.00

SCHEDULE-(D) FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 31/3/2010 Rs.	ADDITIONS Rs.	DEDU- CTIONS Rs.	UPTO 31/3/2011 Rs.	UPTO 31/3/2010 Rs.	ON DEDU CTIONS Rs.	FOR THE YEAR Rs.	TOTAL 31/3/2011 Rs.	AS AT 31/3/2011 Rs.	AS AT 31/3/2010 Rs.
LEASEHOLD LAND	28,827,180.00	—	676,357.00	28,150,823.00	—	—	—	—	28,150,823.00	28,827,180.00
BUILDING FACTORY	83,186,678.00	2,000,000.00	—	85,186,678.00	36,159,605.00	—	2,778,617.56	38,938,222.56	46,248,455.44	47,027,072.57
STAFF QUARTERS	4,021,200.00	—	—	4,021,200.00	611,343.00	—	65,546.00	676,889.00	3,344,311.01	3,409,857.01
PLANT & MACHINERY	133,609,003.50	1,640,068.00	—	135,249,071.50	82,513,027.00	—	4,519,820.98	87,032,847.98	48,216,223.52	51,095,976.84
FURNITURE & FIXTURES	621,487.00	—	—	621,487.00	544,194.00	—	13,990.03	558,184.03	63,302.97	77,293.09
OFFICE EQUIPMENTS	907,246.00	—	—	907,246.00	788,381.00	—	16,534.12	804,915.12	102,330.88	118,865.32
COMPUTER	1,017,841.00	—	—	1,017,841.00	909,163.00	—	43,471.20	952,634.20	65,206.80	108,678.00
VEHICLES	997,403.00	10,000.00	32,950.00	974,453.00	814,876.00	31,531.00	48,181.24	831,526.24	142,926.76	182,527.00
LABORATORY EQUIPMENTS	758,585.00	—	—	758,585.00	637,700.00	—	16,815.10	654,515.10	104,069.90	120,885.00
BUILDING CONSTR. MACHINERY	36,952.00	—	—	36,952.00	36,340.50	—	93.74	36,434.24	517.76	605.00
TYPEWRITER	9,464.00	—	—	9,464.00	8,463.00	—	139.24	8,602.24	861.76	1,001.23
AIRCONDITIONER	171,724.00	—	—	171,724.00	114,434.00	—	7,969.04	122,403.04	49,320.96	57,290.31
TOTAL	254,164,763.50	3,650,068.00	709,307.00	257,105,525.01	123,137,526.50	31,531.00	7,511,178.26	130,617,173.76	126,488,351.25	131,027,237.80
PREVIOUS YEAR	253,297,855.00	866,909.00	—	254,164,764.00	115,597,166.00	—	7,540,960.20	123,137,526.20	131,027,237.88	137,700,689.00

	AS AT 31.03.2011 RUPEES	AS AT 31.3.2010 RUPEES
<u>SCHEDULE (E)- INVENTORIES</u>		
(As Valued and certified by Management)		
(refer note No. A-4)		
a) Raw Materials	6,310,150.73	1,291,028.00
b) stocks-in-process	51,006,604.07	47,662,554.00
c) Finished Goods	4,366,978.35	8,612,350.00
d) Packing Materials, stores and spares	3,121,484.08	2,125,427.00
e) Loose Tools	25,880.00	25,880.00
f) Coal	47,915.75	174,980.00
g) Diesel	37,766.74	36,431.00
	<u>64,916,779.72</u>	<u>59,928,650.00</u>
<u>SCHEDULE (F)- SUNDRY DEBTORS</u>		
(unsecured considered good)		
a) Outstanding for a period exceeding 6 months	—	6,202,306.00
b) Others	15,080,635.78	4,233,641.00
	<u>15,080,635.78</u>	<u>10,435,947.00</u>
<u>SCHEDULE (G) - CASH & BANK BALANCES</u>		
a) Cash on Hand	2,706,281.11	2,319,188.00
b) Balances With Scheduled Banks		
i) In Current Accounts	19,472,988.72	4,978,808.00
ii) In Fixed Deposit Accounts	1,000.00	1,000.00
	<u>22,180,269.83</u>	<u>7,298,996.00</u>
<u>SCHEDULE (H) -LOANS & ADVANCES</u>		
(Unsecured considered good)		
a) Balances with Central Excise	312,352.42	331,114.00
b) Deposit with others	3,121,224.21	4,740,546.00
c) Advances recoverable in cash or in kind or for value to be received	15,528,177.99	14,444,877.84
d) Advance Income tax (Net of Provisions)	4,099,006.50	3,973,011.00
	<u>23,060,761.12</u>	<u>23,489,548.84</u>
<u>SCHEDULE (I) - CURRENT LIABILITIES & PROVISIONS</u>		
a) Sundry Creditors	36,366,652.26	45,007,861.16
b) Other Liabilities	37,236,684.16	25,090,523.23
	<u>73,603,336.42</u>	<u>70,098,384.39</u>

	Year Ended 31.03.2011		Year Ended 31.3.2010	
	QUANTITY KGS	VALUE RUPEES	QUANTITY KGS	VALUE RUPEES
<u>SCHEDULE (J) - SALES</u>				
Gelatine (Domestic)	310550.000	71,067,050.00	494935.000	98,883,228.00
Add: Excise Duty	—	7,290,982.00	—	8,369,922.00
	310550.000	78,358,032.00	494935.000	107,253,150.00
Less : Gelatine Return	(9,258.00)	(1,743,049.00)	(25,164.00)	(4,934,287.00)
	301292.000	76,614,983.00	469771.000	102,318,863.00
Add: Sales Tax including Addl. Tax & Export Tax		3,096,042.00		4,214,139.00
	301292.000	79,711,025.00	469771.000	106,533,002.00
Di-Calcium Phosphate (DCP)	1572000.000	38,342,350.00	1756000.000	37,740,080.00
Less : DCP Return	(14,000.000)	(335,664.00)	—	—
	1558000.000	38,006,686.00	1756000.000	37,740,080.00
Add: Sales Tax including Addl. Tax & Export Tax		37,439.00		38,189.00
	1558000.000	38,044,125.00	1756000.000	37,778,269.00
Ossein	437165.000	44,004,409.00	—	—
Add: Excise Duty		—		—
	437165.000	44,004,409.00	—	—
Less : Gelatine Return	—	—	—	—
	437165.000	44,004,409.00	—	—
Add: Sales Tax including Addl. Tax & Export Tax		925,381.00		—
	437165.000	44,929,790.00	—	—
Total Sales		162,684,940.00	—	144,311,271.00

SCHEDULE (K) - OTHER INCOME

a) Interest	184,706.00	244,607.00
b) Miscellaneous Receipts	1,503,986.00	—
c) Sundry Bal. W/off	(3,112.75)	(18,912.00)
d) Profit on Sale of Fixed Assets	581.00	—
	1,686,160.25	225,695.00

SCHEDULE (L) - INCREASE / (DECREASE) IN STOCK

	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Quantity	RUPEES	Quantity	RUPEES
Stock at the beginning of the year				
a) Finished goods		8,612,350.00		22,523,220.00
b) stock-in-process				
1. Bone-in-process	122,385.000	2,019,352 .05	108,000.000	1,458,000.00
2. Acid-in-Acidulation	134,620.000	309,626 .00	118,800.000	273,240.00
3. DCP-in-process	61,000.000	1,433,500 .75	52,000.000	1,269,000.00
4. Ossein-in-process	349,400.607	43,675,076 .87	291,651.376	36,456,422.00
5. Gelatine-in-process	2,500.000	225,000.00	2,500.000	225,000.00
		<u>47,662,554.67</u>		<u>39,681,662.00</u>
		<u>56,274,904.67</u>		<u>62,204,882.00</u>
Stock at the end of the year				
a) Finished Goods		4,366,978.40		8,612,350.00
b) Stock-in-process				
1. Bone-in-process	124,000.000	2,108,000.25	122,385.000	2,019,352.00
2. Acid-in-Acdulation	12,000.000	42,000.25	134,620.000	309,626.00
3. DCP-in-process	62,000.000	1,457,000 .00	61,000.000	1,433,500.00
4. Ossein-in-process	376,696.833	47,087,104 .32	349,400.607	43,675,076.00
5. Gelatine-in-process	2,500.000	312,500.00	2,500.000	225,000.00
		<u>51,006,605.82</u>		<u>47,662,554.00</u>
		<u>55,373,583.22</u>		<u>56,274,904.00</u>
Increase/Decrease (-)		<u>(901,320.80)</u>		<u>(5,929,978.00)</u>

SCHEDULED (M) -RAW MATERIALS CONSUMED

Stocks at the beginning of the year	1,291,028.00	1,640,738.00
Add: Purchases	88,124,050 .63	62,039,359.00
	<u>89,415,078 .63</u>	<u>63,680,097.00</u>
Less: Stocks at the end of the year	<u>6,310,151 .73</u>	<u>1,291,028.00</u>
	<u>83,104,927.55</u>	<u>62,389,069.00</u>

	Year Ended 31.03.2011 RUPEES	Year Ended 31.03.2010 RUPEES
<u>SCHEDULE (N)- ADMINISTRATION, SELLING & OTHER EXP.</u>		
Salaries, Wages, and Allowances	14,860,609.00	12,656,053.00
Staff Welfare	416,530.00	368,086.00
Contribution to ESIC	609,523.00	500,813.00
Contribution to EPF Fund etc	1,503,063.00	1,286,930.00
Contribution to Employees Welfare Fund	7,442.00	7,916.00
Gratuity	266,685.00	299,293.00
Power & Fuel	34,162,513.23	31,841,091.00
Water Charges	144,766.00	148,976.00
Packing Material Stores & Spares	3,256,785.34	6,582,554.00
Repairs to Machinery	333,827.00	217,145.00
Repairs to Building	869,235.00	606,136.00
Repairs to Others	68,471.00	60,568.00
Rent	76,562.00	800.00
Insurance	100,000.00	—
Rates & Taxes	1,075,060.00	475,167.00
Selling & Distribution Expenses	3,326,623.00	2,820,282.00
Travelling & Conveyance Expenses	1,078,598.00	943,124.00
Directors Fees	95,000.00	97,500.00
Auditors Remuneration	84,269.00	31,546.00
Legal and Professional Charges	865,349.00	306,026.00
Postage, Telegram, Telep., Telex & Courier	531,382.00	547,790.00
Computer Expenses	—	3,900.00
Other Expenses (As per note B-6)	1,447,022.28	1,535,400.00
Sales Tax	4,058,862.00	4,252,328.00
	<u>69,238,176.85</u>	<u>65,589,424.00</u>
<u>SCHEDULE (O) - INTEREST</u>		
On Term Loans	—	—
Others	1,732,431.00	140,976.00
	<u>1,732,431.00</u>	<u>140,976.00</u>
<u>SCHEDULE (P)- DEPRECIATION</u>		
Depreciation for the year (Refer Schedule-D)	7,511,178.26	7,540,360.00
Less: Transfer from Revaluation Reserve	5,651,440.00	5,651,440.00
	<u>1,859,738.26</u>	<u>1,888,920.00</u>

SCHEDULE "Q" - NOTES ON ACCOUNTS**A. Significant Accounting Policies and Practices :****1. Accounting Convention and Concepts –**

- a. The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and provision of the Companies Act, 1956, as adopted consistently by the Company.
- b. The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

2. Use of Estimates –

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the year. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

3. Fixed Assets/ Depreciation –

- a. Fixed Assets are stated at cost of acquisition or construction. In case of revaluation of fixed assets, the original cost as determined by the valuer is considered in the accounts and the differential amount is transferred to Revaluation Reserve.
- b. Depreciation is provided on Building and Plant & Machinery on straight line method and rest of the fixed assets on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
- c. Leasehold Land will be written off in the year in which the respective lease periods expire.
- d. Pursuant to Section 205 (2) depreciation on Plant & Machinery is calculated on revalued figure and not on original cost of Plant & Machinery. Subsequently the depreciation on revalued figure is reduced and balance is carried to Profit and Loss Account.
- e. During the Financial Year 2010-11 we were informed that the company had to surrender part of Leasehold Land purchased earlier from MPAKVN by virtue of litigation matter which was pending before the appropriate authority.

4. Inventories –

Finished products are valued at lower of cost or net realisable value, stocks in process, raw material, stores and spares at cost and these are in conformity to Accounting Standards.

5. Sales/ Revenue –

Sale of goods is recognised at the point of dispatch to customers. The excise duty and sales tax collected on sales are added in sales.

6 Excise duty –

Excise duty on manufactured goods is accounted for at the time of their clearance from the factory. The above policy however has no impact on the operating results of the Company.

7. Retirement benefit –

Company's contributions to Provident Fund are charged to Profit and Loss Account. Gratuity and leave encashment benefits at the time of retirement are charged to Profit and Loss Account on the basis of actual payment.

8. Contingent liabilities –

Contingent liabilities are determined on the basis of available information and are disclosed by way of other notes given herein below.

B. Other Notes :

1. Contingent Liabilities not provided for :

(i) Guarantee given to Sales Tax Authorities For permanent registration	10,000	10,000
(ii) General Bond executed in favour of Collector of Central Excise	2,00,000	2,00,000
(iii) Bonds executed in favour of Collector of Central Excise a) B-2 Bond	50,000	50,000
b) B/11 Bond	6,00,000	6,00,000
(iv) Central Excise (CNVT Credit of Service Tax)	5,78,000	5,78,000
(v) Central Excise (Excise Duty Demand)	5,33,000	5,33,000
(vi) Bank Guarantees given to Collector of Central Excise	1,25,000	1,25,000
(vii) Income Tax Liability for A. Y. 2010-11	6,40,465	—
2. No provision for Gratuity and leave encashment towards present liability for future payment under the payment of Gratuity Act, 1972 and terms of employment has been made as the amount is not ascertained.
3. a) The excise duty payable on finished goods not cleared from factory as on the date of Balance sheet is estimated at Rs. 4.01 Lakhs (Prev. year Rs.8.87 lakhs) on prevailing rates. The non-provision of this duty will not affect the profitability or otherwise of the year, being revenue neutral.
 b) As per amended provisions, (1) the dues of excise duty on clearance of finished goods wherever applicable is payable in monthly installments w.e.f. 01.02.2004 and (2) statutory records under Excise Rules are dispensed with effect from 01.07.2000. The Company has acted on these amendments.
4. The Income tax assessments of the Company have been made upto assessment year 2008-09 relevant to previous year ended on 31.03.2008. Assessment relating to assessment year 2009-10 is in progress.
5. Auditors Remuneration (including service tax)

	<u>2010-11</u> <u>RUPEES</u>	<u>2009-10</u> <u>RUPEES</u>
Audit Fees	55,150	28,678
Tax Audit Fees	5,515	2,868
	<u>60,665</u>	<u>31,546</u>

6. As informed to us by the management the yield of finished product is slightly lower due to inferior quality of Raw Materials consumed for the production purpose and also due to the old machinery used in production.
7. OTHER EXPENSES

	<u>2010-11</u> <u>RUPEES</u>	<u>2009-10</u> <u>RUPEES</u>
Printing & Stationery	1,37,331	1,06,935
Bank Charges	19,681	2,61,633
Miscellaneous Expenses	99,381	86,439
Gift & Presentation	11,004	11,504
Listing Fees	27,337	27,719
Annual General Meeting Expenses	15,248	10,995
PF & DLI Administration Charges	1,33,461	1,14,270
Office Expenses	14,318	5,885
Diwali Pooja Expenses	77,777	79,669
Security Service Charges	7,15,169	6,28,743
Uniform & Laundry	1,96,315	2,01,608
	<u>14,47,022</u>	<u>15,35,400</u>

8. Related Parties Disclosure in terms of Accounting Standard 18 issued by the Institute of Chartered Accountants of India

a. List of related parties:

i) Key Management Personnel:

1. Mr. A. L. Sahni Director
2. Mr. Sachiv Sahni Chairman & Managing Director

ii) Subsidiaries: NIL

iii) Associated Companies/ Joint Ventures : C. Jairam Private Limited

S.P. Sahni Trust

b. Details of transactions relating to person referred to in item (i) above

	Unit of Measurement	Value of transaction
Amounts due at the end of the year	Rs. Lakhs	1.52
c. Transactions with Subsidiary/ Associate Company		Amount (Rs. in lakhs)
Outstanding balance included in Unsecured Loans		18.28

9. Disclosure in terms of Accounting Standard 20 regarding Earning per Share issued by the Institute of Chartered Accountants of India

Earning per Share	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
Profit/ (Loss) after Tax	2,28,524	(5,21,323)
Weighted average Nos. of Equity Shares	4813300	4813300
Earning per share (Weighted Average)	Rs. 0.05	Rs. (0.11)

Diluted Earning per share can not be calculated as there are no potential Equity Shares and no Rights and Bonus issues have been made during the year.

10. Deferred Tax Assets and Liabilities

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognised subject to management's judgment that realisation is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change. Provision relating to Deferred Tax Liability/Asset is not made.

11. Quantitative and value analysis of Raw Materials Consumed (excluding captively consumed)

	2010-11		2009-10	
	Quantity Kgs.	Value Rupees	Quantity Kgs.	Value Rupees
a) Bones	3825981	6,61,78,241	3297015	4,93,28,797
b) Hydrochloric Acid	4830360	1,02,00,929	4193770	57,45,462
c) Lime	1027640	48,00,170	1085410	45,18,828
d) Chemicals	—	19,25,587	—	27,95,981
Details of Captively Consumed Ossein :				
Opening Stock as per				
Stocks-in-process	349401	4,36,75,076	291651	3,64,56,422
Production during the year	956495	—	824254	—
TOTAL	1305896		1115905	
Less Closing Stock as per				
Stocks-in-process	376697	4,70,87,104	349401	4,36,75,076
Consumption	929199	—	766504	—
Production of Gelatine out Of Ossein consumed	288389	—	435066	—

12. Licenced/Installed capacities, Production and stocks of Goods Manufactured (Excluding produced for captive use)

	Licenced Capacity	Installed Capacity	Production Quantity	Opening Stock Quantity	Opening Stock Value	Closing Stock Quantity	Closing Stock Value
Gelatine	1000	1000	288.389	37.445	86.12	15.284	38.97
	(1000)	(1000)	(435.066)	(97.314)	(223.82)	(37.445)	(86.12)
Ossein	1000	1800	441.815	0.000	0.00	4.650	4.46
	(1000)	(1800)	(0.000)	(0.000)	(0.00)	(0.000)	(0.00)
Dicalcium Phosphate	1600	3600	1573.000	0.000	0.00	1.000	0.24
	(1600)	(3600)	(1749.500)	(6.000)	(1.41)	(0.000)	(0.00)

Note : Quantities are in MT and values are Rupees in Lakhs.

13. Earnings in Foreign Exchange : NIL (Previous Year Nil)
14. Sundry Debtors and Sundry Creditors are subject to confirmation.
15. In view of insufficient information from suppliers regarding their status as Small Scale Unit, the amount overdue, if any, to them can not be ascertained.
16. Previous Year's figures have been rearranged and/or regrouped wherever necessary.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	23206	State Code	11
Balance Sheet	Date 31 Month 03 Year 11		
II. Capital Raised During the year (Amount Rs. In Thousands)			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousands)			
Total Liabilities	178,123	Total Assets	178,123
SOURCES OF FUNDS			
Paid-up Capital	48,133	Reserves & Surplus	101,810
Secured Loans	Nil	Unsecured Loans	28,180
APPLICATION OF FUNDS			
Net Fixed Assets	126,488	Investments	Nil
Net Current Assets	51,635	Misc. Expenditure	Nil
Accumulated Losses			
IV. Performance of Company (Amount Rs. In Thousands)			
Turnover	163,470	Total Expenditure	163,226
Profit (Loss) Before Tax	244	Profit (Loss) After Tax	229
Earning Per Share In Rs.	0.05	Dividend Rate %	Nil
V. Generic Names of Three Principal Products/Service of Company. (As per Monetry terms).			
Item Code No.		Product Discription	
(ITC Code)	350300.02	GELATINE	
Item Code No.		Product Discription	
(ITC Code)	—	DI-CALCIUM PHOSPHATE	

As per our Report of even date

For and on behalf of the Board

For TRIVEDI & RESHAMWALA ASSOCIATES
Chartered Accountants

ASCHARJLAL SAHNI

DIRECTOR

(HITESH RESHAMWALA)
PROPRIETOR

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

M. No. 41723

F. R. No. 111041W of 15.03.1990

PLACE : MUMBAI

DATED : 27/07/2011

PLACE : MUMBAI

DATED : 27/07/2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	243,523.79	228,677.03
ADJUSTMENTS FOR		
Depreciation	1,859,738.26	1,888,919.71
Interest Paid	1,732,431.00	140,976.00
Provision for Taxataion	15,000.00	750,000.00
Expenses related to Previous Year	—	—
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,820,693.05	1,508,572.74
ADJUSTMENTS FOR		
Sundry Debtors	(4,644,689.71)	(2,556,690.78)
Other Current Assets	2,715,574.77	2,438,694.75
Loans & Advances	(2,160,791.15)	(2,445,132.10)
Inventories	(4,988,129.66)	9,217,629.11
Trade Payable	3,504,952.03	(6,080,654.68)
CASH GENERATED FROM OPREATIONS	(1,752,390.67)	2,082,419.04
Direct taxes Paid/Refund	(125,995.50)	(95,366.00)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(1,878,386.17)	1,987,053.04
NET CASH FLOW FROM OPREATING ACTIVITIES (A)	(1,878,386.17)	1,987,053.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,650,068.00)	(866,908.50)
Sale of fixed Assets	677,776.00	—
NET CASH USED IN INVESTING ACTIVITIES (B)	(2,972,292.00)	(866,908.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		

Proceeds from Long Term borrowings	21,464,383.00	3,207,807.06
Repayment of borrowing	—	
Interest Paid	(1,732,431.00)	(140,976.49)

NET CASH USED IN FINANCING ACTIVITIES	(C) 19,731,952.00	3,066,830.57
	(A+B+C) 14,881,273.83	4,186,975.11

D. NET INCREASE IN CASH AND CASH EQUIVALENTS

Cash and Bank equivalents as at 1.4.2010	7,298,996.00	3,112,021.00
Cash and Bank equivalents as at 31.03.2011	22,180,269.83	7,298,996.11
	14,881,273.83	4,186,975.11

As per our Report of even date

For and on behalf of the Board

For TRIVEDI & RESHAMWALA ASSOCIATES
Chartered Accountants

ASCHARJLAL SAHNI **DIRECTOR**

(HITESH RESHAMWALA)
PROPRIETOR
M. No. 41723
F. R. No. 111041W of 15.03.1990

SACHIV SAHNI
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 27/07/2011

PLACE : MUMBAI
DATED : 27/07/2011

AUDITORS' CERTIFICATE

To,
The Board of Directors
C. J. Gelatine Products Limited
MUMBAI.

We have examined the above Cash Flow Statement of C. J. Gelatine Products Limited for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of Listing agreement clause 32 with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.

For TRIVEDI & RESHAMWALA ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATED : 27/07/2011

HITESH RESHAMWALA
PROPRIETOR
Membership No.41723

F. R. No. 111041W of 15.03.1990

PROXY FORM

C. J GELATINE PRODUCTS LIMITED

Regd. Office : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (W), Mumbai - 400 015.

I/We.....of
.....being Member / Members
of C. J GELATINE PRODUCTS LIMITED hereby appoint
.....of.....
.....of or failing him/her..
.....of

as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty First Annual General Meeting of the Company to be held Saturday the 17th September, 2011 at 12.30 p.m. at Mancherji Joshi Hall, Athornan Madrassa Annexe, 1st Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp.Palamkotte Hall),Dadar (E), Mumbai:400 014 and at any adjournment thereof.

Signed this.....

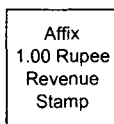
Date of2011

Signature.....

Address.....

Regd. Folio No.

No. of Shares.....



Note:The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

TEAR HERE

C. J GELATINE PRODUCTS LIMITED

Regd. Office : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (w), Mumbai - 400 015.

ATTENDANCE SLIP

(PLEASE fill in the Attendance Slip and hand it over at the entrance of Meeting Hall)

I hereby record my presence at the Thirty First Annual General Meeting to be held at Saturday the 17th September, 2011 at 12.30 p.m. at Mancherji Joshi Hall, Athornan Madrassa Annexe, 1st Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp.Palamkotte Hall),Dadar (E), Mumbai:400 014.

Full Name of the Shareholder (in Block Letters)

Folio Number

No. of Share held

Full Name of Proxy (in Block-Letter)

Signature of Shareholder of Proxy

BOOK - POST

If Undelivered, please return to :

C. J. GELATINE PRODUCTS LIMITED

Tokersi Jivraj Wadi,

Acharya Donde Marg,

Sewree (w), Mumbai - 400 015.