

39TH
ANNUAL REPORT
2010- 2011



INDIA GELATINE & CHEMICALS LIMITED



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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Director (w.e.f. 01.04.2011)

VIREN CHANDRASINH MIRANI

Directors

N.C. MIRANI

M.D. VORA

K.C. DALAL

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 Limited, 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 Warehousing Complex,

Second Floor,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road,

Andheri (East),

Mumbai - 400 072

Tel : (022) 67720300 Fax : (022) 28591568



FINANCIAL HIGHLIGHTS

₹ in lacs

Sr.No.		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1	Shareholders' Funds	8326	8448	9073	9528	9587
2	Loan Funds	245	296	150	91	30
3	Debt Equity Ratio	1 : 0.03	1 : 0.04	1 : 0.02	1 : 0.01	1 : 0.003
4	Sales & Other Income	6421	6178	8225	8441	8912
5	Profits (Subject to Depreciation & Tax)	331	614	1687	1377	847
6	Net Profit/(Loss) Subject to Tax	(52)	226	1278	962	423
7	Profit/(Loss) after Tax & Before Extra Ordinary Items	(34)	199	845	674	277
8	Net Profit/(Loss) after Extra Ordinary Items	(34)	199	845	674	277
9	Book Value of Share ₹	88.57	89.87	96.52	101.36	101.99
10	Dividend %	--	7	20	20	20



NOTICE

NOTICE be and is hereby given that the Thirty Ninth Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD. will be held at GICEA, Nirman Bhavan (Gajjar Hall), Near Law Garden, Ahmedabad - 380 006 on Wednesday, the 28th of September, 2011 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, 2011 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. K. C. Dalal, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Viren C. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors for the year 2011-2012 and to fix their remuneration.

By Order of the Board of Directors

Place : Ahmedabad

Date : 26.07.2011

K. P. VAGADIA
(Company Secretary)

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. Proxies in order to be valid must be received by the Company, not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2011 to 28.09.2011 (both days inclusive).
3. 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 205A of the Companies Act, 1956.
4. 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.
5. Pursuant to the provisions of section 205A of the Companies Act, 1956, all Unclaimed Dividend up to the 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.
6. Pursuant to the provisions of section 205A(5) of the Companies Act, 1956 as amended, dividend for the financial years ended 31st March, 1996 to 2003, which remained unpaid or unclaimed for the period of 7 (seven) years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Such dividend stands forfeited by the Government. As per the rules, dividend for the year ended 31st March, 2004, if unclaimed or unpaid up to 30th September, 2011 will be transferred to IEPF.



Members who have not yet encashed the dividend warrant(s) for the Financial Year 2003-2004 and thereafter are requested to make their claims to the Company.

7. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investors Education and Protection Fund (Fund) set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the company immediately as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund.
8. 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.
9. 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.
10. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
11. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.
12. Members are requested to note that pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Share Holding of the Directors proposed to be re-appointed is given below and forms part of the Notice.

Details of Directors seeking reappointment at the forthcoming Annual General Meeting :

(Disclosure pursuant to Clause 49 of the Listing Agreement)

	Name	Mr. K.C. Dalal	Mr. Viren C. Mirani
1	Date of Birth	20.08.1940	21.08.1965
2	Date of Appointment	31.03.2001	21.07.2000
3	Qualification	B. Com, F.C. A	B.Com
4	Expertise in Specific Functional Area	Practising Chartered Accountant, Partner of C. C. Dalal & Co. Vast Experience in Audit, Taxation & Company Law Matters etc.	Industrialist with Rich Business Experience in General.
5	Directorship in other Public Ltd. Companies	—	—
6	Membership of committees in other Public Ltd. Companies	—	—
7	Share Holding of Directors seeking re-appointment as on 31.03.2011	—	187846 Equity Shares



DIRECTORS' REPORT

The Directors of your Company present their 39th Annual Report with the Audited Statements of Accounts for the year ended 31st March, 2011.

	2010-2011 ₹	2009-2010 ₹
FINANCIAL RESULTS		
Profit for the year after deducting all the charges and expenses but before interest, depreciation and taxation (EBIDTA)	8,63,78,405	14,01,84,104
FROM WHICH ARE DEDUCTED		
Interest & Financial Charges	16,43,603	24,83,675
Depreciation	4,24,40,141	4,14,61,030
Taxation		
Current	1,62,00,000	3,20,00,000
Deferred	(44,51,891)	(31,49,792)
Short Provision for Earlier Years	28,28,231	—
	<u>5,86,60,084</u>	<u>7,27,94,913</u>
NET PROFIT FOR THE YEAR	2,77,18,321	6,73,89,191
TO WHICH IS ADDED :		
Surplus Brought Forward	3,62,27,279	3,57,60,533
BALANCE AVAILABLE FOR APPROPRIATION	<u>6,39,45,600</u>	<u>10,31,49,724</u>
APPROPRIATION FOR		
Proposed Dividend	1,88,00,000	1,88,00,000
Corporate Dividend Tax	30,49,830	31,22,445
General Reserve	1,00,00,000	4,50,00,000
Surplus Carried to next year's account	3,20,95,770	3,62,27,279
	<u>6,39,45,600</u>	<u>10,31,49,724</u>

Operation :

The turnover of the company increased by about 7.7% over the previous year in spite of the adverse conditions prevailing in the raw material used by the company namely crushed bones. Realisations for all the products were increased as the increases in costs were passed on to the customers.

Gelatine sales were higher as compared to the previous year by 13.67% especially due to higher realisations in the export markets. DCP realisations were higher by 15.40%.

Gelatine demand in the domestic market has begun to show further increase and your company is continuing with its efforts in expanding the customer base. DCP sales remain buoyant again to the increase of poultry products in the domestic area, where poultry feed continues to find advantages in the use of the consistent quality of our DCP.

Pollution control measures are being strengthened by the installation of newer technologies being available for the treatment of the parameters as modified by the Pollution Control Board from time to time. Although the costs towards treatment of effluent are continuously rising, more efficient means are constantly adopted to bring the expenses down without compromising on the effluent standards.



Crushed bones prices moved up by about 28.15% over the previous year and with the pressure on availability of the same, your company is looking towards a well established import possibility. Besides low availability there is also a drastic deterioration in quality thereby also affecting the yield of our final products.

Natural Gas prices are on the way up and this is severely increasing the operational cost. Although in the short term the alternatives are limited, the company is making inroads into measures to reduce the consumption of Natural Gas by investing in more energy efficient equipments. During the year Natural Gas prices increased by 16.37% over the previous year.

Considering the challenges ahead on the higher costs and the timely countermeasures taken by the company to tide with the same, your company hopes to maintain or better the performance going forward.

Dividend ;

Your directors recommend dividend @ 20% i.e. ₹ 2/- per share (previous year 20% i.e. ₹ 2.00 per share) on Equity Shares of ₹ 10/- each of the company for the year ended 31st March, 2011. The proposed dividend (including Corporate Dividend Tax) will absorb ₹ 218.50 lacs.

Taxation :

The Company has made a provision of ₹ 162 lacs and ₹ 28.28 lacs towards current year's and short provision for earlier year's Income Tax & Wealth Tax respectively.

Finance :

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

Industrial Relations :

Industrial relations continued to remain cordial and satisfactory.

Directors :

Mr. Viren C. Mirani and Mr. K. C. Dalal retire by rotation at the ensuing Annual General Meeting and 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 the 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., Firm Registration No: 105775W, 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 section 224 (1B) of the Companies Act, 1956.

Insurance :

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



INDIA GELATINE & CHEMICALS LTD.

Particulars of Employees :

The information under section 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, 2011 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 the certificate from the Auditors is 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, forming part of the Directors' Report is annexed hereto.

Acknowledgement :

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, the company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 25.07.2011

Nalin K. Vissanji
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

Sr. No.	Name	Designation	Remuneration ₹	Qualification	Age Years	Experience Years	Date of Commencement of employment	Last Employment and Designation
1	Mr. Viren C. Mirani	Executive Director	41,43,851	B.Com	46	26	21.07.2000	—

Note : Nature of Employment - The above employment is contractual.

Place : Mumbai
Date : 25.07.2011

For and on behalf of the Board of Directors

Nalin K. Vissanji
Chairman



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 & Outgo.

A) CONSERVATION OF ENERGY

a) Measures taken for Conservation of Energy.

- i) New Hot Water Generator installed for conservation of steam.
- ii) New Energy Efficient Boiler installed to improve steam to fuel ratio.
- iii) Pressurized and Condensing Economizers installed in order to preheat boiler feed water by recovering waste heat of boiler.
- iv) Installation of Plate Heat Exchangers at various locations to minimize loss of steam.
- v) Phased replacement of 400 Watt Bulbs with 85 Watt CFL bulbs.
- vi) Water recycling is being implemented up to the maximum possible levels.
- vii) Energy efficient screw chillers installed in place of reciprocating compressor chillers.

b) Additional investments and proposals.

- i) Upgradation of ETP Plant by using energy efficient diffused aerators.
- ii) Installation of Digester to improve outlet parameters of our effluent.
- iii) Improvement in raw material preparation systems to improve quality.
- iv) Improvement in process control parameters by installation of new heat exchangers for better yield and quality.
- v) Installation of energy efficient and larger capacity DCP dryer for reduction in operating hours and gas consumption.

c) Impact of measures in the above.

On implementation of the above, the Company expects better yield and substantial benefit in energy / water consumption.

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

FORM - A

I Power & Fuel Consumption

	<u>2010-11</u>	<u>2009-10</u>
1 Electricity		
a) Purchased		
Unit (KWH)	1351010	1612800
Total Amount (₹)	85,42,654	1,03,05,792
Rate / Unit (₹)	6.32	6.39
b) Own Generation		
1) Through Diesel Generator	N.A.	N.A.
Units (KWH)	-	-
Unit per Ltr. Of Diesel	-	-
Cost / Unit (₹)	-	-
2) Through FO Base Generator		
Units (KWH)	45780	373740
Unit per Ltr. of F.O.	2.77	3.67
Cost / Unit (₹)	8.22	7.56
3) Through Steam Turbine Generator	N.A.	N.A.
4) Through Gas Base Generator	-	-
Units (KWH)	9644800	9126600
Unit per sm ³ of Gas	3.51	3.50
Cost / Unit (₹)	6.28	5.78



INDIA GELATINE & CHEMICALS LTD.

II a)	Furnace Oil / LSHS			
	Quantity (Kgs.)	15844		242784
	Total Amount (₹)	3,73,126		42,40,548
	Average Rate per Kgs. (₹)	23.55		17.46
b)	Natural Gas (CNG) /SM ³			-
	Quantity (sm ³ .)	7168895		7546158
	Total Amount (₹)	12,74,52,685		11,52,42,923
	Average Rate per sm ³ . (₹)	17.77		15.27

a. Consumption per unit of production.

Product-Unit	Standards	2010-2011		2009-2010	
		Ossein	Gelatine	Ossein	Gelatine
Electricity	Units	1412.48	3140.45	1181.42	3356.40
Furnace Oil	Kgs.	-	-	-	87.55
Natural Gas (CNG)	SM ³	478.77	2258.21	404.96	2375.13

(B) TECHNOLOGY ABSORPTION

FORM 'B'

Research and Development

- For quality improvement of the main products viz. Ossein and Gelatine, research and development is carried out by the Company
- 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.
- Research is being done to establish how our waste can be used as raw material input for other industries.
- Installation of an on-line TOC analyzer to display and record critical effluent parameters.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and outgo is contained in Note No.15(e),(f),(i) & (j) of Notes on Accounts.

For and on behalf of the Board of Directors.

Place : Mumbai
Date : 25.07.2011

Nalin K. Vissanji
Chairman

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****EXPORT :**

The major raw materials of our company Crushed Bones and Hydrochloric Acid witnessed a major cost increase owing primarily to the reduced availability of Crushed Bones. This was attributable due to the increase in offtake by competing industries which are also consuming Bones as their raw material. Coupled with the reduced availability, the quality of Crushed Bones has also been deteriorating over the years and which has resulted in lower yields of our final products both Ossein and Gelatine. The increase in prices over the previous year for Crushed Bone was 28%. Hydrochloric Acid availability was also short during the year which drove up prices and has registered an increase of 77% over the previous year.

Given the difficult conditions during the year the company's exports did take a downturn by a level of ₹ 11.70 Crores which is lower by 23.85% over the previous year. Although a major reason for the lowering in exports is due to the reduced exports for Ossein.

As a segment Gelatine exports registered an increase both in value as well as volume over the previous year. The Company keeps maintaining strong focus on exports due to the limited off take for the Company's products domestically.

Additionally, India having been upgraded to Category 1 by the OIE (Office Internationale de Epizooties) authority monitoring Animal Health around the world based in Paris in May 2010 is also helping the countries products to be preferred over products originating in countries which are in adverse categories.

It is assumed that further benefits may accrue in future going forward.

DOMESTIC :

The company managed to secure orders for the supply of Ossein domestically although the similar performance may not be witnessed on an ongoing basis.

As for the domestic market for Pharmaceutical Gelatine, it has been growing steadily in both areas of use i.e. Hard Shell Capsules and Soft Shell Capsules and the likely growth in future is also imminent going by the increase in number of capsule machines being installed around the country. The company's performance in the domestic market increased by 58.95% in value terms over the previous year.

Chicken consumption in the country remains high and has shown several fold increase on a year on year basis for the last many years. This has resulted in DCP registering a growth of 13.05% in value terms over the previous year. However, due to the availability of alternate products in the market especially from overseas the tendency for any further growth in the DCP value seems unlikely for the coming years.

THREATS :

High raw material prices as well as shortage in availability of the same are likely to put pressure on the competitiveness of the company's products in the export markets especially as there are alternative raw materials available for the production of Gelatine which are more attractively priced. Import regulations of some important countries still prevent the use of Bovine Bone Gelatine in certain applications and thereby restricting the market accessibility.

The Global economic crisis especially in Europe and USA are also likely to suppress these markets and any worsening of the situation could affect the company's exports.

OPPORTUNITIES :

Due to the Category status for India being upgraded in May 2010, Indian products may find favour over other countries which fall in categories that are lower and which may allow better market accessibility.

The demand from the Pharmaceutical segment shows a promising growth in both the domestic as well as export markets and subject to other conditions remaining stable a positive trend could be expected.

DCP is also likely to remain consistent in volume terms mainly due to the expansion in the poultry feed sector.



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OUTLOOK :

The company is further increasing its production capacities for Gelatine during the year and with further upgradation plans which have been undertaken it is likely that even higher production would be achieved in the coming years.

Although the company has expansion plans lined up, the cause for environmental concerns are also being addressed by upgrading raw material treatment before going into the process as well as new and efficient effluent treatment processes and equipments to meet with the dynamic changes of the Pollution Control Board requirements.

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 6.84% to ₹ 84.19 Crores during the year ended 31st March, 2011 as compared to ₹ 78.80 Crores during the previous year.

EBIDTA (Earning before Interest, Depreciation, Taxes and Extra Ordinary Item) for the Current year is ₹ 8.64 Crores as against ₹ 14.01 Crores in the previous year.

The company declared dividend @ 20% (20% 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 80 employees on its rolls as on 31st March, 2011.

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 & 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 Section 292A of the Companies Act, 1956 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 a continuous process and is achieved through an optimum mix of regulatory compliance, disclosures & practices and transparent & 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 the 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 and effective adherence to the philosophy of transparency, adequate disclosure, fairness to all and independent monitoring and 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 an optimum combination of executive and non-executive Directors. IGCL's Board meets this requirement as it is consisting of 4 independent Directors, out of the total 6 directors. The Chairman of the Company is also an independent director.

Sr. No.	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. M.D. Vora	Non Exe. Dir.	1	2
3	Mr. N.C. Mirani	Non Exe. Dir.	3	2
4	Mr. V.C. Mirani	Exe. Director	1	1
5	Mr. K.C. Dalal	Non Exe. Dir.	2	1
6	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
1 Mr. Nalin K. Vissanji	5	3	NO
2 Mr. M. D. Vora	5	5	YES
3 Mr. N. C. Mirani	5	3	NO
4 Mr. V. C. Mirani	5	5	YES
5 Mr. K. C. Dalal	5	5	YES
6 Mr. S. N. Pittie	5	4	YES



INDIA GELATINE & CHEMICALS LTD.

Total 5 Board meetings were held in the year 2010-2011. The dates on which the said meetings were held are as follows :

- | | |
|----------------|---------------|
| (1) 23.04.2010 | 4) 28.10.2010 |
| (2) 11.08.2010 | 5) 03.02.2011 |
| (3) 28.09.2010 | |

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
1. Mr. K. C. Dalal	Chairman	4
2. Mr. M. D. Vora	Member	4
3. Mr. N. C. Mirani	Member	3
4. Mr. S. N. Pittie	Member	3

The Company Secretary is the Secretary of the Committee.

Statutory Auditors and Internal Auditors were invited and they 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 and 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 31.03.2011

A. Executive Director :

₹ in lacs

Name	Salary	Comm.	Perks	Retirement Benefits	Total
Mr. V. C. Mirani – Exe. Director	26.40	Nil	9.71	5.33	41.44



1. Notice period for termination of appointment of 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 ₹ 5000/- for attending Board and Audit Committee meetings.
2. Professional Fees of ₹ 60,665/- 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 and Executive Director.

During the year, the Committee held 15 meetings and the attendance of Members was as follows :

Name of Member	Status	No. of Meetings Attended
1. Mr. Nalin K. Vissanji	Chairman	15
2. Mr. V. C. Mirani	Member	15

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.

7. **INSIDER TRADING :**

The Securities and Exchange Board of India (SEBI) has 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 from time to time, 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.



INDIA GELATINE & CHEMICALS LTD.

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 and 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
2007-2008	36 th	GICEA (Nirman Bhavan), Gajjar Hall, Near Law Garden, Ellisbridge, Ahmedabad-380006	05.09.2008	11.00 a.m.
2008-2009	37 th	GICEA (Nirman Bhavan), Gajjar Hall, Near Law Garden, Ellisbridge, Ahmedabad-380006	25.09.2009	11.00 a.m.
2009-2010	38 th	GICEA (Nirman Bhavan), Gajjar Hall, Near Law Garden, Ellisbridge, Ahmedabad-380006	28.09.2010	11.00 a.m.

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. 39th Annual General Meeting

Date : Wednesday, 28th September, 2011

Time : 11.00 a.m.

Venue : GICEA, Nirman Bhavan, (Gajjar Hall), Near Law Garden, Ellisbridge, Ahmedabad - 380006.

2. Date of Book Closure : 21.09.2011 to 28.09.2011

(Both days inclusive)



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
DEMAT ISIN in NSDL and CDSL	INE342D01012
Web Site	www.indiagelatine.com
Market Price Data (Bombay Stock Exchange) for the year 2010-11	

(In ₹)

Month	High	Low
April	54.80	45.85
May	51.95	39.05
June	49.00	38.15
July	49.50	43.00
August	55.00	44.05
September	56.90	48.00
October	58.90	46.00
November	55.25	41.00
December	48.80	37.15
January	49.10	37.00
February	40.40	28.25
March	35.75	31.50

5. Address for investor correspondence :

SHAREPRO SERVICES (INDIA) PVT. LTD.

13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane,
 Off Andheri Kuria Road, Andheri (East), Mumbai – 400 072

Tel No. : (022) 67720300 • Fax No. : (022) 28591568 • E-mail ID : sharepro@shareproservices.com

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 : kpvc@indiagelatine.com

6. Distribution of Shareholding as on 31.03.2011

No. of Equity Shares held	No. of Shareholders	No of Shares Held	Share Holding %
1 to 1000	4060	1061563	11.29
1001 to 5000	448	958798	10.20
5001 to 10000	52	380604	4.05
10001 and above	64	6999035	74.46
	4624	9400000	100.00

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

8. Outstanding GDRs/Warrants : Not Applicable.

9. Plant Location :

The Manufacturing Plant of the Company is situated at Plot No.1A, GIDC, Vapi-396 195, Gujarat.



INDIA GELATINE & CHEMICALS LTD.

10. Green Initiative for Paperless Communications :

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a circular bearing no.17/2011 dated April 21, 2011 stating that service of documents by a Company to its members can be made through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme and the circular issued by MCA, the Company proposes to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

This is also a golden opportunity for every shareholder of India Gelatine & Chemicals Limited to contribute to this Corporate Social Responsibility initiative of the company. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

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 31.03.11 as stipulated in sub clause 1(D)(ii) of clause 49 of the Listing Agreement with the Stock Exchanges.

For India Gelatine & Chemicals Ltd.

Place : Mumbai
Date : 25.07.2011

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, 2011 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 : 25.07.2011

K. P. Vagadia
(Financial Controller)

V. C. Mirani
(Managing Director)



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

To,
The Members of India Gelatine & Chemicals Ltd.

1. We have examined the compliance as per the conditions of Corporate Governance by India Gelatine & Chemicals Ltd. (the Company) for the year ended March 31, 2011, 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
FRN 105775W
Chirag M. Shah
Partner
M. No.F-45706

Place : Ahmedabad
Dated : 26.07.2011



INDIA GELATINE & CHEMICALS LTD.

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, 2011 and the Profit and Loss Account 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. These 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) 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, 2011;
 - (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.
- 5) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For MAHENDRA N. SHAH & CO.
Chartered Accountants
Firm Reg. No. 105775W
CHIRAG M. SHAH
Partner
M.NO.F-45706

Place : AHMEDABAD
Date : 26.07.2011



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, 2011.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) There is a regular programme of verification which in our opinion is 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) During the year, the company has not disposed off substantial part of fixed assets.
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 has maintained 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 and maximum amount outstanding at any time is aggregating to ₹ 20.25 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 ₹ 6.00 crores 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.
4. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weaknesses have been noticed in internal control system.



INDIA GELATINE & CHEMICALS LTD.

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 in excess of ₹ 5 Lacs made in pursuance of contracts or arrangements referred to in section 301 of the Act are, in our opinion, at prices which are prima facie reasonable having regard to the prevailing market prices 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 the public within the meaning of section 58A, 58AA and 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, 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, 2011 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 31.03.2011 have not been deposited since appeals are pending before the relevant authorities.

Sr. No.	Name of the Statute	Nature of dues	Amount ₹ lacs	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty & Service Tax	23.56	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.

INDIA GELATINE & CHEMICALS LTD.



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. In our opinion and according to the information and explanation given to us, the Company has applied the term loans prima facie for the purpose for which the loans were obtained.
17. According to information and explanations given to us 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 to parties or companies covered in the register maintained under section 301 of the Act.
19. The Company has not raised any funds through debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. Based on audit procedure performed and as per the information and explanations given by the Management, no fraud on or by the Company was noticed or reported during the year.

For Mahendra N. Shah & Co.
Chartered Accountants
Firm Reg. No.105775W
Chirag M. Shah
Partner
M.NO.F-45706

Place : Ahmedabad
Date : 26.07.2011

**INDIA GELATINE & CHEMICALS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2011**

Schedule	As At 31.03.2011		As At 31.03.2010	
	₹	₹	₹	₹
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	9,40,00,000	9,40,00,000	
Reserves & Surplus	2	86,46,50,493	85,87,82,002	
		95,86,50,493	95,27,82,002	
Loan Funds :				
Secured Loans	3	30,22,493	90,75,683	
Deferred Tax Liabilities	4	8,40,97,063	8,85,48,954	
TOTAL		1,04,57,70,049	1,05,04,06,639	
APPLICATION OF FUNDS :				
Fixed Assets :				
Gross Block	5	94,64,96,451	92,20,08,539	
Less : Depreciation		52,22,33,651	48,15,00,630	
Net Block		42,42,62,800	44,05,07,909	
Investments	6	28,06,45,076	28,49,11,636	
Current Assets, Loans and Advances				
Current Assets				
Interest Accrued on Investment		27,97,953	59,15,870	
Inventories	7	16,30,02,020	17,73,69,072	
Sundry Debtors	8	5,73,44,468	3,77,27,182	
Cash & Bank Balances	9	6,64,41,504	3,25,94,467	
Loans & Advances	10	26,56,82,546	28,06,90,751	
		55,52,88,491	53,42,97,342	
Less :Current Liabilities & Provisions				
Current Liabilities	11	3,63,84,868	4,71,56,373	
Provisions	12	17,80,21,450	16,21,53,875	
		21,44,06,318	20,93,10,248	
Net Current Assets		34,08,62,173	32,49,87,094	
		1,04,57,70,049	1,05,04,06,639	
Significant Accounting Policies	18			
Notes on Accounts	19			

As per our attached report of even date

For MAHENDRA N. SHAH & CO.
Chartered Accountants
FRN105775W

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

Place : Ahmedabad
Date : 26.07.2011

Nalin K. Vissanji
Chairman

K. P. Vagadia
Company Secretary

Place : Mumbai
Date : 25.07.2011

Viren C. Mirani
Managing Director

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittle

} Directors


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

Schedule	2010-2011		2009-2010	
	₹	₹	₹	₹
I. Income :				
Sales	85,43,51,093		79,29,90,407	
Less : Excise Duty	<u>1,24,26,673</u>		<u>50,04,630</u>	
Net Sales	84,19,24,420		78,79,85,777	
Other Income	13 4,93,04,557		5,61,14,225	
Increase/(Decrease) in Inventories	14 (1,89,82,429)		(1,31,19,888)	
	<u>87,22,46,548</u>		<u>83,09,80,114</u>	
II. Expenditure :				
Consumption of Raw Materials	15 39,06,83,336		32,07,30,314	
Manufacturing, Administrative				
Selling and Distribution Expenses	16 39,51,84,807		37,00,65,696	
Interest & Other Financial Charges	17 16,43,603		24,83,675	
Depreciation	<u>4,24,40,141</u>		<u>4,14,61,030</u>	
	<u>82,99,51,887</u>		<u>73,47,40,715</u>	
III Profit Before Tax	<u>4,22,94,661</u>		<u>9,62,39,399</u>	
Add/(Less) Provision for (i)Current Tax	(1,62,00,000)		(3,20,00,000)	
(ii) Deferred Tax	44,51,891		31,49,792	
(iii)Short provision of Income Tax of earlier years	(28,28,231)		-	
IV Profit After Tax	<u>2,77,18,321</u>		<u>6,73,89,191</u>	
Add : Surplus brought forward from last year	<u>3,62,27,279</u>		<u>3,57,60,533</u>	
V SURPLUS AVAILABLE FOR APPROPRIATION	<u>6,39,45,600</u>		<u>10,31,49,724</u>	
VI APPROPRIATION TO :				
Proposed Dividend	1,88,00,000		1,88,00,000	
Corporate Dividend Tax	30,49,830		31,22,445	
General Reserve	1,00,00,000		4,50,00,000	
Balance Carried to Balance Sheet	<u>3,20,95,770</u>		<u>3,62,27,279</u>	
	<u>6,39,45,600</u>		<u>10,31,49,724</u>	
Earnings per Share (Basic & Diluted)	2.95		7.17	
(Face value of ₹ 10/- per share)				
Significant Accounting Policies	18			
Notes on Accounts	19			

As per our attached report of even date

For MAHENDRA N. SHAH & CO.
Chartered Accountants
FRN105775W

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

Place : Ahmedabad
Date : 26.07.2011

Nalin K. Vissanji
Chairman

K. P. Vagadia
Company Secretary

Place : Mumbai
Date : 25.07.2011

Viren C. Mirani
Managing Director

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittle } Directors

**INDIA GELATINE & CHEMICALS LTD.**

	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital : 1,25,00,000 (Previous year 1,25,00,000) Equity Shares of ₹ 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 ₹ 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
	<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	62,31,88,723	57,81,88,723
Add : Transfer from Profit & Loss Account	<u>1,00,00,000</u>	<u>4,50,00,000</u>
	63,31,88,723	62,31,88,723
PROFIT AND LOSS ACCOUNT	<u>3,20,95,770</u>	<u>3,62,27,279</u>
	<u>86,46,50,493</u>	<u>85,87,82,002</u>
SCHEDULE - 3		
SECURED LOANS		
Vehicle Loan (Secured against Vehicles)		
From ICICI Bank Ltd.	14,38,090	59,88,113
From HDFC Bank Ltd.	12,57,326	24,85,181
From KOTAK MAHINDRA PRIME LIMITED	<u>3,27,077</u>	<u>6,02,389</u>
	30,22,493	90,75,683
	<u>30,22,493</u>	<u>90,75,683</u>
SCHEDULE - 4		
DEFERRED TAX LIABILITIES (NET)		
Opening Balance	8,85,48,954	9,16,98,746
Less : Write back during the year	44,51,891	31,49,792
	<u>8,40,97,063</u>	<u>8,85,48,954</u>

SCHEDULE - 5 FIXED ASSETS :

DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 01/04/2010 ₹	Additions During the Year ₹	Sales/ Adjustments During the Year ₹	As on 31/03/2011 ₹	Up to 31/03/2010 ₹	Provided During the Year ₹	Sales/ Adjustments During the Year ₹	Up to 31/03/2011 ₹	As on 31/03/2011 ₹	As on 31/03/2010 ₹
Land (Freehold)	4,46,377	-	-	4,46,377	-	-	-	-	4,46,377	4,46,377
Land (Leasehold)	5,18,991	-	-	5,18,991	1,88,712	5,242*	-	1,93,954	3,25,037	3,30,279
Land (Leasehold) Plot A-2	16,23,125	-	-	16,23,125	98,370	16,395*	-	1,14,765	15,08,360	15,24,755
Buildings	16,27,84,471	2,50,842	-	16,30,35,313	5,19,55,298	39,79,037	-	5,59,34,335	10,71,00,978	11,08,29,173
Plant & Machinery	67,05,57,783	2,42,91,370	15,73,000	69,32,76,153	38,93,64,014	3,26,69,949	11,76,132	42,08,57,831	27,24,18,322	28,11,93,769
Furniture, Fixtures & Office Equipments	1,71,94,598	9,29,655	-	1,81,24,253	1,06,34,929	6,59,519	-	1,12,94,448	68,29,805	65,59,669
Laboratory Equipments	31,67,097	2,44,957	-	34,12,054	21,45,403	1,72,835	-	23,18,238	10,93,816	10,21,694
Vehicles	3,47,41,812	12,90,168	9,46,080	3,50,85,900	77,48,971	33,02,250	5,30,988	1,05,20,233	2,45,65,667	2,69,92,841
Technical Know How	3,09,74,285	-	-	3,09,74,285	1,93,64,933	16,34,914	-	2,09,99,847	99,74,438	1,16,09,352
TOTAL :	92,20,08,539	2,70,06,992	25,19,080	94,64,96,451	48,15,00,630	4,24,40,141	17,07,120	52,22,33,651	42,42,62,800	44,05,07,909
PREVIOUS YEAR :	91,77,52,799	3,43,85,640	3,01,29,900	92,20,08,539	46,65,19,667	4,14,61,030	2,64,80,067	48,15,00,630	44,05,07,909	45,12,33,132

* Amortisation of Leasehold premium over period of lease




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		AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
SCHEDULE - 6			
INVESTMENTS :			
(A) LONG TERM			
NON TRADE : AT COST			
QUOTED :			
50000	(50000) Equity Shares of Tamilnadu Jaibharat Mills Ltd. each of ₹ 10/-	5,00,000	5,00,000
100	(100) Equity Shares of Autolite (India) Ltd. each of ₹ 10/-	9,000	9,000
7573520	(Nil) Reliance Interval Fund Quarterly Plan 1 Industrial Growth Plan each of ₹ 10/-	1,00,000,000	-
4000	(4000) Equity Shares of Bannari Amman Spinning Mills Ltd. each of ₹ 10/-	4,76,754	4,76,754
Nil	(4000) Equity Shares of Whirlpool of India Ltd. each of ₹ 10/-	-	5,02,265
525	(525) Equity Shares of Lakshmi Machines Works Ltd. each of ₹ 10/-	9,70,166	9,70,166
2575	(5500) Equity Shares of SRF Limited each of ₹ 10/-	4,95,790	10,31,843
Nil	(750) Equity Shares of Cipla Limited each of ₹ 2/-	-	2,62,782
Nil	(1450) Equity Shares of Mphasis Limited each of ₹ 10/-	-	9,96,166
Nil	(2600) Equity Shares of Indraprastha Gas Limited each of ₹ 10/-	-	5,22,029
Nil	(3800) Equity Shares of Dhampur Sugar Mills Ltd. each of ₹ 10/-	-	5,25,960
Nil	(3400) Equity Shares of Tube Investments of India Ltd. each of ₹ 10/-	-	2,51,456
Nil	(4700) Equity Shares of Sarda Energy & Minerals Ltd. each of ₹ 10/-	-	10,29,426
Nil	(4500) Equity Shares of Spicejet Limited each of ₹ 10/-	-	2,59,568
Nil	(1300) Equity Shares of Navbharat Ventures Ltd. each of ₹ 2/-	-	5,07,491
950	(Nil) Equity Shares of Alpha Geo (India) Ltd. each of ₹ 10/-	2,01,225	-
4300	(Nil) Equity Shares of Bharat Forge Ltd. each of ₹ 2/-	15,36,700	-
7000	(Nil) Equity Shares of Centum Electronics Ltd. each of ₹ 10/-	8,98,362	-
4160	(Nil) Equity Shares of EID Parry (India) Ltd. each of ₹ 1/-	9,35,979	-
3200	(Nil) Equity Shares of Hindustan Petroleum Corp Ltd. each of ₹ 10/-	11,24,263	-
4300	(Nil) Equity Shares of KPR Mills Ltd. each of ₹ 10/-	9,44,372	-
UNQUOTED :			
9700	(9700) Equity Shares of M/s.K.V. Cotton Gin & Press. Co.Pvt. Ltd. each of ₹ 1000/- fully paid-up	97,00,000	97,00,000
6000	(6000) Equity Shares of Supreme Yarn Spinners Ltd. each of ₹ 10/- fully paid-up	60,000	60,000
6000	(6000) Equity Shares of Shri Vigneswara Cotton Mills Ltd. each of ₹ 10/- fully paid-up	60,000	60,000
5500000	(5500000) Equity Shares of SCIL Capital India Ltd. each of ₹ 10/- fully paid-up	5,52,84,700	5,52,84,700
10000	(10000) Equity Shares of SKM Egg. Products Export (I) Ltd. each of ₹ 10/- each	1,00,000	1,00,000
13710	(15000) Units of Kotak India Growth Fund each of ₹ 1,000/- ₹ 965/- (Previous year ₹ 950/-) paid up per unit	1,32,29,674	1,42,50,000
100	(100) Units of Kotak India Growth Fund-II each of ₹ 1,00,000/- ₹ 38,000/- (Previous year ₹ 26,000/-) paid up per Unit.	40,00,000	28,00,000
	National Saving Certificates	6,000	6,000
100	(Nil) Non Convertible Debentures of Future Corporate Resources Ltd. each of ₹ 1,00,000/-	1,00,98,341	-
1375	(1375) Redeemable preference shares of ₹ 10/- each of K.S. Reality Construction Pvt. Ltd.	13,750	13,750
		20,06,45,076	9,01,19,356



	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
(B) CURRENT		
NON TRADE : AT COST		
QUOTED :		
NII (8017996) Units of Reliance Liquid Fund Each of ₹ 10/-	-	18,00,00,000
NII (572346) Units of Reliance Liquid Fund II Each of ₹ 10/-	-	1,22,92,280
NII (250000) Units of Franklin India Smaller Companies Fund Each of ₹ 10/-	-	25,00,000
3017684 (Nil) Reliance Monthly Interval Fund I (Growth) Each of ₹ 10/-	4,00,00,000	-
481965 (Nil) Reliance Regular Saving Fund Balance-Growth Plan Each of ₹ 10/-	1,00,00,000	-
2338908 (Nil) Reliance Regular Saving Fund Debt-Growth Plan Each of ₹ 10/-	3,00,00,000	-
	<u>8,00,00,000</u>	<u>19,47,92,280</u>
	<u>28,06,45,076</u>	<u>28,49,11,636</u>
AGGREGATE VALUE OF		
1 Quoted Investments - Cost	18,80,92,611	20,26,37,186
Market Value	19,00,77,597	20,30,95,171
2 Unquoted Investment- Cost	9,25,52,465	8,22,74,450
SCHEDULE - 7		
INVENTORIES :		
(As taken, valued and certified by the Management)		
I Stores, Spares, Packing Materials and Fuel	2,03,91,807	2,22,32,774
II Loose Tools	2,67,756	2,80,052
III Raw Materials	4,04,74,980	3,40,06,340
IV Finished Goods	5,75,18,047	8,37,59,382
V Work-in-Process	4,43,49,430	3,70,90,524
	<u>16,30,02,020</u>	<u>17,73,69,072</u>
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Over Six Months	1,25,147	98,914
Others	5,72,19,321	3,76,28,268
	<u>5,73,44,468</u>	<u>3,77,27,182</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on Hand	1,41,315	1,67,186
Balance with scheduled banks		
In Current Accounts	4,21,52,840	1,32,07,781
In Fixed Deposit Accounts	1,35,00,000	57,19,500
In Margin Money	1,06,47,349	1,35,00,000
	<u>6,64,41,504</u>	<u>3,25,94,467</u>



	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
SCHEDULE - 10		
LOANS AND ADVANCES		
Advances Recoverable in Cash or Kind * (Unsecured, Considered Good)	8,49,71,457	10,60,08,948
Sundry Deposits	59,45,130	59,45,130
Advance Income Tax including Tax Deducted At Source	14,91,20,467	13,56,48,541
Balance with Excise Dept. Including Cenvat Credit Receivable	45,72,412	1,54,57,319
VAT Credit - Receivable	2,10,73,080	1,76,30,813
* (1) Maximum Balance outstanding from officers of the company during the year ₹ 33,500/- (Prev. Year ₹ 1,17,100/-) (2) includes Loan to Associate company and to Enterprise having common key Management Personnel and/or their relatives of ₹ 6,00,00,000/- (Prev. Year ₹ 8,34,00,000)		
	<u>26,56,82,546</u>	<u>28,06,90,751</u>
SCHEDULE - 11		
CURRENT LIABILITIES :		
Sundry Creditors	2,13,83,974	3,14,37,053
Advances from Customers	1,07,58,059	1,08,77,706
Other Liabilities	31,81,773	40,36,748
Investor Education & Protection Fund - Unclaimed Dividend (Not due for deposit)	10,61,062	8,04,866
	<u>3,63,84,868</u>	<u>4,71,56,373</u>
SCHEDULE - 12		
PROVISIONS :		
For Taxation	15,09,42,729	13,48,68,703
For Retirement & Other employee Benefits	52,28,891	53,62,727
For Proposed Dividend	1,88,00,000	1,88,00,000
For Corporate dividend Tax	30,49,830	31,22,445
	<u>17,80,21,450</u>	<u>16,21,53,875</u>
SCHEDULE - 13		
	2010-2011	2009-2010
OTHER INCOME :		
Dividend	18,37,048	16,61,960
Export Incentives	1,04,26,593	1,75,06,276
Interest (T.D.S. ₹ 7,06,502/- (Previous Year ₹ 22,19,737/-))	70,89,465	1,70,81,468
Miscellaneous Income	1,13,82,123	44,31,977
Profit on Sale of Investments	1,85,69,328	1,54,32,544
	<u>4,93,04,557</u>	<u>5,61,14,225</u>



	2010-2011	2009-2010
	₹	₹
SCHEDULE - 14		
Increase/(Decrease) in Inventories		
Closing Stock		
Finished	5,75,18,047	8,37,59,382
Work in Process	4,43,49,430	3,70,90,524
	<u>10,18,67,477</u>	<u>12,08,49,906</u>
Less :		
Opening Stock		
Finished	8,37,59,382	9,81,70,134
Work in Process	3,70,90,524	3,57,99,660
	<u>12,08,49,906</u>	<u>13,39,69,794</u>
Increase/(Decrease)	<u>(1,89,82,429)</u>	<u>(1,31,19,888)</u>
SCHEDULE - 15		
CONSUMPTION OF RAW MATERIALS :		
Opening Stock	3,40,06,340	5,11,44,543
Add : Purchases during the year	39,71,51,976	30,35,92,111
	<u>43,11,58,316</u>	<u>35,47,36,654</u>
Less : Closing Stock	4,04,74,980	3,40,06,340
	<u>39,06,83,336</u>	<u>32,07,30,314</u>



	2010-2011		2009-2010	
	₹	₹	₹	₹
SCHEDULE - 16				
MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES :				
Payment to and for Employees :				
Salary, Wages & Bonus	1,80,41,171		1,72,55,060	
Staff Welfare Expenses	6,22,926		7,09,851	
Contribution to Provident Fund	10,12,390		10,22,749	
Contribution to ESI Scheme	5,08,548		67,621	
Gratuity - Contribution to LIC Scheme	10,71,508	2,12,56,543	38,48,081	2,29,03,362
Packing Materials Consumed		83,78,099		70,44,711
Stores, Spares & Tools Consumed		6,17,17,007		4,63,28,181
Power & Fuel		14,07,65,805		13,42,17,021
Gas Equipment Lease rentals & Man Power supply charges		1,61,63,495		1,63,41,260
Laboratory Expenses		5,59,107		4,70,672
Labour Charges		1,61,00,663		1,45,46,125
CETP, Water and Effluent Treatment Charges		2,80,15,516		2,71,45,385
Repairs				
Machinery	1,00,51,956		68,46,360	
Building	94,63,393		1,84,89,321	
Others	7,31,798	2,02,47,147	7,47,619	2,60,83,300
Export Expenses		97,54,767		1,40,35,064
Freight and Cartage		86,98,654		45,14,403
Insurance		16,53,788		14,73,466
Rent, Rates & Taxes		32,71,778		27,28,579
Postage and Telephone		20,34,926		25,99,691
Stationery & Printing		7,19,728		7,14,790
Advertisement & Sales Promotion Expenses		17,47,449		12,09,115
Commission and Discount on Sales		1,00,43,276		64,63,201
Directors' Sitting Fees		1,70,000		1,65,000
Donation		6,750		10,77,250
Managerial Remuneration		41,43,851		52,01,952
Travelling Expenses (Including Director's Travelling ₹ 75,86,060/- Previous Year ₹ 95,04,901/-)		1,01,97,448		1,18,34,302
Loss on Sale of Fixed Assets		97,813		28,18,979
General Expenses		2,20,37,719		1,80,30,012
Sales Tax		74,03,478		21,19,875
		<u>39,51,84,807</u>		<u>37,00,65,696</u>
SCHEDULE - 17				
Interest & Other Financial Charges :				
1. On Term Loan		6,88,509		13,20,062
2. Other Financial Charges		9,55,094		11,63,613
		<u>16,43,603</u>		<u>24,83,675</u>

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

The financial statements are prepared under the historical cost convention as a going concern and on accrual basis accordance with the generally accepted accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant 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.

Free hold land is stated at cost.

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 of 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 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.



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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 and 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 the 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 of the net profit after tax (and includes 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 EPS 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 of Current Tax and Deferred Tax is included in determining the net profit for the year.

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 a 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 in the financial statements.

SCHEDULE – 19**2010-2011**

Notes Annexed to and forming part of accounts for the year ended 31st March, 2011.

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. Surplus of ₹ 112.29 Lacs (Previous year deficit of ₹ 96.16 Lacs) & surplus of ₹ 1.82 Lacs (Previous year deficits of ₹ 0.02 Lacs) being the impact of foreign exchange fluctuation has been included in the Turnover and Purchase of Stores, Spares & Machinery respectively.
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, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprise



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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 :		₹ In lacs	
i) Bank Guarantees issued		<u>2010-2011</u>	<u>2009-2010</u>
GSPC		161.35	140.07
Pollution Control Board		28.00	14.00
Quippo Infrastructure Equipment Ltd.		<u>34.73</u>	<u>34.73</u>
		224.08	188.80
ii) In respect of claims against the Company not acknowledged as debts		<u>2010-2011</u>	<u>2009-2010</u>
Excise Duty		8.15	8.15
Service Tax		<u>15.41</u>	<u>12.71</u>
		23.56	20.86

5. Operating Lease :

As Lessee : Lease rental of ₹153.13 lacs (Previous year ₹147.35 Lacs) charged to revenue for right to use leasehold assets like Gas based Power Generating Equipments and 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, 2011 :

1. Assumption	As on 31/03/2011
Discount Rate	8.00%
Salary Escalation	4.00%
2. Changes in present value of Obligation	As on 31/03/2011
Present Value of obligation as at beginning of year	95,61,938
Interest cost	7,64,955
Current Service Cost	3,15,336
Benefits paid	(12,66,442)
Actuarial (gain)/loss on obligations	31,22,279
Present value of obligations as at end of year	1,24,98,066
3. Changes in the fair value of plan assets	As on 31/03/2011
Fair value of plan assets at beginning of year	91,06,095
Expected return on plan assets	10,46,123
Contributions	39,31,678
Benefits paid	(12,66,442)
Actuarial Gain/(Loss) on Plan assets	Nil
Fair value of plan assets at the end of year	1,28,17,454
4. Fair value of plan assets	
Fair value of plan assets at beginning of year	91,06,095
Actual return on plan assets	10,46,123
Contributions	39,31,678
Benefits paid	(12,66,442)



Fair value of plan assets at the end of year	1,28,17,454	
Funded status	3,19,388	
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	(31,22,279)	
Actuarial (gain)/loss for the year – plan assets	Nil	
Actuarial (gain)/loss on obligations	31,22,279	
Actuarial (gain)/loss recognized in the year	31,22,279	
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	1,24,98,066	
Fair value of plan assets as at the end of the year	1,28,17,454	
Funded status	3,19,388	
Net Asset/(Liability) recognized in balance sheet	(3,19,388)	
7. Expenses Recognized in statement of Profit & Loss		
Current service cost	3,15,336	
Interest cost	7,64,955	
Expected return on plan assets	(10,46,123)	
Net Actuarial (Gain)/Loss recognized in the year	31,22,279	
Expenses recognized in statement of Profit & Loss	31,56,447	
6 (b) In respect of liability of leave encashment up to 31.12.2010 the company has obtained actuarial valuation and has provided for ₹ 9,24,031/- in the books.		
7. In respect of appeal filed by the company in Income Tax Appellate Tribunal regarding the treatment of receipt of Capital Compensation of ₹ 12.57 crores which the company has claimed as exempt has been decided in favour of the Revenue treating the receipt as "Business Income". However, the company has already paid the entire tax of ₹ 3.84 crores in respective year. The company is preferring appeal in Gujarat High Court against the impugned order of the ITAT. 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 up to accounting year 2006-2007 and the company has preferred appeal against addition made by the dept by rejecting the input tax credit of fuel.		
10. Earnings per share	Year Ended	Year Ended
	<u>31.03.2011</u>	<u>31.03.2010</u>
Net profit attributable to Shareholders (₹ in lacs)	277.18	673.89
Weighted average number of equity shares	94,00,000	94,00,000
Basic earnings per share of ₹ 10/- each (in ₹)	2.949	7.169

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.



INDIA GELATINE & CHEMICALS LTD.

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

A. List of Related parties :

- 1) Parties where Control Exists : —
- 2) Other parties with whom company entered into transactions during the year
 - i) Joint Ventures : —
 - ii) Associates
 - 1) SCIL Capital India Ltd.
- 3) Key Management Personnel and Enterprises having common Key Management Personnel or their Relatives

Key Management Personnel :

- 1) Mr. Viren 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 Pvt. 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
- 8) K.V. Logistics Pvt. Ltd.
- 9) K.V. Cotton Ginning & Pressing Co. Pvt. Ltd.

Relatives of Key Management Personnel :

- 1) Mr. Nayan C. Mirani, brother of Mr. Viren C. Mirani

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

₹ in lacs

Nature of Transaction	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1. Managerial remuneration	—	41.44	—
2. Loans given	—	—	3900.00
3. Interest received	—	—	34.70
4. Reimbursement of expenses	—	—	3.56

- C. Outstanding balances as on 31.03.2011

₹ in lacs

Nature of Transaction	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1. Loans given	—	—	600.00
	(—)	(—)	(834.00)
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)	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
a) Audit Fees	2,20,600	1,54,420
b) For Tax Audit	82,725	66,180
c) Out of pocket expenses	<u>22,520</u>	<u>53,900</u>
	<u>3,25,845</u>	<u>2,74,500</u>

13 a) Managerial Remuneration :		
	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
Salary	26,40,000	26,40,000
Commission	—	2,93,185
Other Perquisites	<u>9,70,791</u>	<u>8,86,325</u>
	<u>36,10,791</u>	<u>38,19,510</u>
Exempt Perquisites	<u>5,33,060</u>	<u>13,82,442</u>
	<u>41,43,851</u>	<u>52,01,952</u>

13 b) Computation of Net Profit in accordance with Sec.198 & 349 of the Companies Act, 1956, for the year ended 31 st March, 2011		
	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
Profit before Taxation as per Profit & Loss Account	4,22,94,661	9,62,39,399
Add: Directors' remuneration	41,43,851	52,01,952
Directors' sitting fees	1,70,000	1,65,000
Loss on Sale of Assets as per Books of Account	<u>97,813</u>	<u>28,18,979</u>
	<u>4,67,06,325</u>	<u>10,44,25,330</u>
Less : Profit on sale of investments	<u>1,85,69,328</u>	<u>1,54,32,544</u>
Profit u/s 198 & 349 of the Act	2,81,36,997	8,89,92,786
Maximum Remuneration payable to working Director @ 5% of the Profit	14,06,850	44,49,639
Actual Managerial Remuneration Paid as permitted in schedule XIII	<u>41,43,851</u>	<u>44,47,437</u>

14. The company has entered into forward exchange contracts / options which are not intended for trading or speculative purposes, but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

a) Forward Contracts

Receivables

Currency	31.03.2011		31.03.2010	
	Quantity	₹ Lacs	Quantity	₹ Lacs
USD	4168551	1,971.18	2700000	1,299.03
EURO	304915	205.88	500000	337.11

Payable

Currency	31.03.2011		31.03.2010	
	Quantity	₹ Lacs	Quantity	₹ Lacs
Nil				



INDIA GELATINE & CHEMICALS LTD.

b) Unhedged Foreign Currency Exposures at Balance Sheet Date :

Receivables

Currency	31.03.2011		31.03.2010	
	Quantity	₹ Lacs	Quantity	₹ Lacs
USD	407131	182.60	2,14,640	96.37
EURO	Nil	Nil	1,29,465	78.26

15. 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	
			31.03.2011	31.03.2010	2010-2011	2009-2010
Ossein	M.T.	N.A.	7,800	7,800	*4,620.280	*4,755.600
Di-Calcium Phosphate	M.T.	N.A.	16,500	16,500	8,460.400	8,721.800
Gelatine	M.T.	N.A.	2,000	2,000	1,558.679	1,669.625

* Includes used for captive consumption 3330.680 Mts. (Previous year 3178.000 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			
		2010-2011		2009-2010		2010-2011		2009-2010	
		Quantity	₹	Quantity	₹	Quantity	₹	Quantity	₹
Ossein	M.T.	81.160	55,20,016	108.240	72,84,552	33.800	25,29,743	81.160	55,20,016
Di-Calcium Phosphate	M.T.	130.800	21,86,976	401.200	61,29,132	57.450	11,15,679	130.800	21,86,976
Gelatine	M.T.	530.250	7,60,52,390	634.060	8,47,56,450	371.200	5,38,72,625	530.250	7,60,52,390
Total			8,37,59,382		9,81,70,134		5,75,18,047		8,37,59,382

c) Consumption of Raw Materials :

Product	Unit	2010-2011		2009-2010	
		Quantity	₹	Quantity	₹
Crushed bone	M.T.	18651.500	34,14,60,126	19992.700	28,56,06,921
Lime	M.T.	5020.487	2,05,80,874	4706.952	1,82,27,587
Hydrochloric Acid	M.T.	20069.140	2,86,42,336	20936.625	1,68,95,806
Total			39,06,83,336		32,07,30,314

d) Sales :

Product	Unit	2010-2011		2009-2010	
		Quantity	₹	Quantity	₹
Ossein	M.T.	1336.960	14,52,38,170	1604.680	16,14,30,450
Di-Calcium Phosphate	M.T.	8533.750	23,14,32,702	8992.200	21,13,16,199
Gelatine	M.T.	1717.729	47,76,80,221	1773.435	42,02,43,758
Total			85,43,51,093		79,29,90,407

INDIA GELATINE & CHEMICALS LTD.



e) Value of Imports calculated on C.I.F. Basis in respect of :	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
i) Components - Spare parts	49,11,057	67,58,954
ii) Capital Goods	92,89,855	61,72,672
f) Expenditure of Foreign Currency on account of :		
a) Revenue Expenditure		
i) Travelling	46,21,621	60,49,059
ii) Subscription	4,05,439	4,84,125
iii) Interest	—	—
iv) Commission	48,35,687	28,76,443

	<u>2010-2011</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2009-2010</u>
	Amount		% of Total Consumption	
g) i) Value of Imported spare parts and Components consumed during the year	21,06,794	11,22,351	3.41	2.42
ii) Value of Indigenous Spare parts and Components Consumed during the year	5,96,10,213	4,52,05,830	96.59	97.58
Total	<u>6,17,17,007</u>	<u>4,63,28,181</u>	<u>100.00</u>	<u>100.00</u>
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	39,06,83,336	32,07,30,314	100.00	100.00
Total	<u>39,06,83,336</u>	<u>32,07,30,314</u>	<u>100.00</u>	<u>100.00</u>

	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
i) Earning in Foreign Exchange Export of goods (FOB)	36,70,53,211	49,73,61,505
j) The amount remitted during the year in foreign Currency		
Payment of Dividend :		
Dividend Paid	18,40,000	55,80,800
No. of non-resident shareholders	1	2
Year to which it relate	2009-2010	2008-2009

Signatures to Schedules 1 to 19

As per our attached report of even date

For MAHENDRA N. SHAH & CO.
Chartered Accountants
FRN105775W

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

Place : Ahmedabad
Date : 26.07.2011

Nalin K. Vissanji
Chairman

K. P. Vagadia
Company Secretary

Place : Mumbai
Date : 25.07.2011

Viren C. Mirani
Managing Director

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittie } Directors

**INDIA GELATINE & CHEMICALS LTD.****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	1	1
---	---	---	---

II. Capital Raised During the year (Amt. In ₹ 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 ₹ Thousand)

Total Liabilities

-	-	1	0	4	5	7	7	0
---	---	---	---	---	---	---	---	---

Total Assets

-	-	1	0	4	5	7	7	0
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

Reserves & Surplus

-	-	-	8	6	4	6	5	0
---	---	---	---	---	---	---	---	---

Secured Loans

-	-	-	-	-	3	0	2	3
---	---	---	---	---	---	---	---	---

Unsecured Loans

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

Deferred Tax Liabilities (Net)

-	-	-	-	8	4	0	9	7
---	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

-	-	-	4	2	4	2	6	3
---	---	---	---	---	---	---	---	---

Investments

-	-	-	-	2	8	0	6	4	5
---	---	---	---	---	---	---	---	---	---

Net current Assets

-	-	-	3	4	0	8	6	2
---	---	---	---	---	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

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



IV. Performance of Company (Amount in ₹ Thousand)

Turnover

-	-	-	8	7	2	2	4	7
---	---	---	---	---	---	---	---	---

Total Expenditure

-	-	-	8	2	9	9	5	2
---	---	---	---	---	---	---	---	---

Profit/Loss before Tax

	+	4	2	2	9	5
--	---	---	---	---	---	---

Profit/Loss After Tax

	+	2	7	7	1	8
--	---	---	---	---	---	---

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

Earning per Share in ₹

					2	.	9	5
--	--	--	--	--	---	---	---	---

Dividend rate %

2	0
---	---

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

Item Code No.ITC(HS) Code

		0	5	0	6	1	0	3	9
--	--	---	---	---	---	---	---	---	---

Product Description

OSSEIN									
---------------	--	--	--	--	--	--	--	--	--

Item Code No.ITC(HS) Code

		2	3	0	9	9	0	9	0
--	--	---	---	---	---	---	---	---	---

Product Description

DI-CALCIUM PHOSPHATE (Animal Feed Grade)									
---	--	--	--	--	--	--	--	--	--

Item Code No.ITC(HS) Code

		3	5	0	3	0	0	2	0
--	--	---	---	---	---	---	---	---	---

Product Description

GELATINE									
-----------------	--	--	--	--	--	--	--	--	--

**INDIA GELATINE & CHEMICALS LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

₹ In lacs

	2010-2011	2009-2010
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit & Loss A/c	422.95	962.39
Adjustments :		
Depreciation	424.40	414.61
Loss on sale of Fixed Assets	0.98	28.19
Investment Income	(89.26)	(187.43)
Interest Paid	16.44	24.84
Net Gain on Sale of Investments	(185.69)	125.88
Operating Profit before working capital	589.82	1,088.27
Adjusted for :		
i) Trade & other Receivables	88.63	(105.84)
ii) Stock	143.67	247.61
iii) Trade Payable	(109.05)	157.38
Cash generated from operations	713.07	1245.65
Interest Paid	(16.44)	(24.84)
Direct Tax Paid	(164.26)	(333.36)
	532.37	912.29
Foreign Exchange effects	0.00	0.00
Net Cash from Operating Activities	532.37	912.29
B) Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(270.07)	(343.86)
Foreign exchange effect on fixed assets	0.00	0.00
Sale of Fixed Assets	7.13	8.31
Purchase of Investments	(1,969.39)	(1,598.78)
Sale of Investments	2,197.75	1,018.07
Interest Income	102.07	178.71
Dividend Income	18.37	16.62
Net Cash used in Investing Activities	85.86	(720.93)

**C) Cash Flow from Financing Activities**

Borrowing of Funds	0.00	(0.60)
Repayment of borrowings	(60.53)	(58.90)
Proceeds from Issue of shares	0.00	0.00
Foreign Exchange Effects on L.T. Borrowings	0.00	0.00
Dividend paid including distribution tax	(219.22)	(219.95)
Net Cash from Financing Activities	(279.75)	(279.45)
Net Increase in cash & cash equivalents (a+b+c)	338.48	(88.09)
Opening Balance of Cash & Cash equivalents	325.94	414.03
Closing Balance of Cash & Cash equivalents	664.42	325.94
Net Increase/(Decrease) in cash & cash equivalents	338.48	(88.09)

As per our attached report of even date

For MAHENDRA N. SHAH & CO.Chartered Accountants
FRN105775W**Chirag M. Shah**Partner
M. No.: F-45706Place : Ahmedabad
Date : 26.07.2011**Nalin K. Vissanji**
Chairman**K. P. Vagadia**
Company SecretaryPlace : Mumbai
Date : 25.07.2011**Viren C. Mirani**
Managing Director**K. C. Dalal**
N. C. Mirani
M. D. Vora
S. N. Pittle

} Directors

Auditors' Certificate

We have examined the attached Cash Flow Statement of India Gelatine & Chemicals Ltd. For the year ended 31st March, 2011. 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.26.07.2011 to the members of the Company.

For Mahendra N. Shah & Co.,
Chartered AccountantsChirag M. Shah
Partner
FRN 105775W
M. No.45706Place : Ahmedabad
Dated : 26.07.2011



25-07-2011

Dear Shareholder,

Subject : MCA's Green Initiative for Paperless Communications

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies. Towards this, MCA has issued Circulars dated 21 April 2011 & 29 April 2011 stating that the service of notice/document by a company to its shareholders can now be made through electronic mode, subject to a few conditions.

Our company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses / delays in postal transit.

We therefore propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, Half-yearly communications etc., henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time. As per our records, your e-mail address is not registered with your Depository Participant / Share Transfer Agent.

In case you wish to receive all the above communications in electronic form; and

- A. hold your shares in dematerialized form, kindly register your e-mail address with your Depository Participant at the earliest, or
- B. hold your shares in physical form, kindly register your e-mail address with Sharepro Services (India) Pvt. Ltd. our Share Transfer Agent, at the following name and address at the earliest;

Laxman Poojary

Asst. Client Manager,

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) 28591568 • E-mail ID : sharepro@shareproservices.com

You may use the format given below for registering your e-mail address with your Depository Participant / Sharepro Services (India) Pvt. Ltd.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website, www.indiagelatine.com. The document will also be available to you for inspection at the Registered Office of the company during office hours.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us. Needless to say, you will be, as a member of the company, entitled to be furnished with a copy of the above mentioned documents as required under the provisions of the Companies Act, 1956, free of cost, upon receipt of a requisition from you any time during the year.



We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour today.

This communication may be ignored, if your e-mail address is already registered with your Depository Participant/Sharepro Services (India) Pvt. Ltd.

Thanking you,

Yours faithfully,
For **India Gelatine & Chemicals Ltd.**

V.C. Mirani
Managing Director

-----X-----X-----X-----
E-COMMUNICATION REGISTRATION FORM
(In terms of circulars dated 21.04.2011 & 29.04.2011
Issued by the Ministry of Corporate Affairs)



India Gelatine & Chemicals Ltd.
703, 'Shilp', C.G. Road,
Navrangpura, Ahmedabad - 380009
Gujarat

Folio No./DP ID & Client ID No. : _____

Name of First Registered holder : _____

Name of Joint holder(s) : _____

E-mail ID (to be registered) : _____

Please register my above e-mail ID in your records for receiving communication in electronic form from the company of which I/we am/are shareholder(s).

Date : _____

Signature _____

(First holder)

Note : Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.